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Japan

Preparations To Begin for Talks With DPRK

OW0410141190 Tokyo KYODO in English 1350 GMT 4 Oct 90

[Text] Tokyo, Oct. 4 KYODO—Foreign Minister Taro Nakayama said Thursday that Japan will start preparations for intergovernmental talks proposed by North Korea aimed at normalizing diplomatic relations between the two countries, ministry sources said.

Nakayama, in a meeting with Shin Kanemaru, one of the most powerful figures in the ruling Liberal Democratic Party (LDP), reiterated the basic government policy that Japan's 1910-1945 colonial rule of the Korean peninsula and North Korean postwar "losses," for which Pyongyang is also seeking compensation, are separate issues.

He also reiterated that a joint declaration signed by Japanese and North Korean political parties urging compensation for both periods does not necessarily bind the government.

Kanemaru and Makoto Tanabe, vice chairman of the opposition Japan Socialist Party, issued the joint declaration with the ruling Korean Workers' Party during a visit to Pyongyang last week. It urged Japan to pay compensation not only for its harsh colonial rule but also for "losses inflicted upon the North Korean people in the ensuing 45 years."

The three parties also agreed to urge their governments to hold talks on normalizing ties in early November in Pyongyang.

A top Foreign Ministry official said Thursday his ministry and its counterpart in Pyongyang will discuss holding the meeting at the earliest time convenient for both sides, but not necessarily in November. The official also said the site of the talks can be discussed.

Meanwhile, Yutaka Kawashima, deputy director general of the ministry's Asian Affairs Bureau, expressed caution over sudden initiatives by Japan in improving relations with North Korea. Kawashima accompanied the LDP-JSP mission to Pyongyang.

Kawashima said it is important for Japan to ensure that the negotiations do not adversely affect peace and stability on the Korean peninsula or pose an obstacle to North-South dialogue aimed at unification. "It would be unsettling for South Korea to see Japanese assistance flood North Korea," Kawashima told KYODO NEWS SERVICE.

He said Japan will seek ways during the negotiations to prevent its contacts with North Korea from becoming a destabilizing factor. "If the situation on the Korean peninsula becomes destabilized once again, Japan's security will directly suffer the greatest impact," Kawashima said, adding that stability there has been the biggest postwar problem for Japan.

On the sudden North Korean proposal for normalizing diplomatic relations with Japan, Kawashima said it was significant as an indication of a change in Pyongyang's policy and stressed that the initiative came from North Korea.

Normalization of Japan-North Korean relations is the last major postwar issue for Tokyo to resolve, "and when North Korea wishes to talk about it, we will respond," Kawashima said. Tokyo normalized relations with Seoul in 1965 but has never had diplomatic ties with Pyongyang.

He disagreed with analysts who call North Korea's approach to Japan an indication that it is moving toward acceptance of the so- called "cross recognition." "Cross recognition," in which Japan and the United States would recognize North Korea while China and the Soviet Union recognize the South, has been discussed as a way to increase stability on the Korean peninsula before reunification. Moscow and Seoul normalized ties Sunday.

"North Korea has not reached the stage of acknowledging South and North Korea as two separate entities for the time being which can coexist peacefully while pursuing a long-term goal of unification," Kawashima said.

As long as North Korea argues that the Soviet Union's establishment of diplomatic relations with South Korea perpetuates the division of Korea, there will be no major change in its stand, he said.

Compensation for DPRK's Postwar Losses Viewed

OW0110122490 Tokyo KYODO in English 1148 GMT 01 Oct 90

[Text] Tokyo, Oct. 1 KYODO—Powerful conservative politician Shin Kanemaru renewed his call Monday for Japanese payment of compensation for North Korean "losses during the postwar 45 years," which he said would be like paying interest on money due, political sources said. However, there has emerged strong opposition from his own Liberal Democratic Party (LDP) and the government.

The Foreign Ministry rejected Kanemaru's stand, saying it is not in accordance with the Japanese Government's position. A high-level government official told reporters that Japan's reply would be "no" if North Korea officially demands compensation for its losses during the postwar period.

Kanemaru, meeting LDP Secretary General Ichiro Ozawa, said compensation for the postwar losses would amount to interest on the amount that Japan should have paid North Korea when it paid compensation to South Korea in 1965, according to sources in the ruling party.

There was no reference to such postwar losses in Japan's settlement with South Korea. "Japan should have compensated (North Korea) simultaneously with South Korea, but the circumstances did not allow that," Kanemaru said, noting that "money in a bank deposit produces interest."

Kanemaru, a former deputy prime minister and one of the most powerful members of the governing party, visited North Korea as head of a LDP mission last week.

Kanemaru, Japan Socialist Party [JSP] Vice Chairman Makoto Tanabe, and (North) Korean Workers Party Secretary Kim Yong-sun signed a joint declaration urging intergovernmental talks on the establishment of diplomatic ties. The declaration also pledged Japanese compensation for "postwar losses."

The joint document said, "The three parties consider that, in connection with the establishment of diplomatic relations, full compensation should be made by the Japanese Government for the past 36-year-long colonial rule and the losses inflicted upon the North Korean people in the ensuing 45 years."

In 1965, the Japanese Government extended 500 million dollars in economic cooperation to South Korea by way of compensation when the two countries established diplomatic ties.

LDP Secretary General Ozawa has accepted Kanemaru's request for him to attend the 45th anniversary of the North Korean party on October 10 in Pyongyang, the sources said.

The senior government official, who spoke with journalists on condition of anonymity, said that he cannot agree to the proposed payment for "losses during the postwar period" and that South Korea would take exception to it.

Cabinet spokesman Misoji Sakamoto told a news conference that the government is not bound by the commitment the high-powered LDP-JSP mission gave to North Korea last week. A top Foreign Ministry official said his ministry will rebut the claim for such a payment during a series of inter-governmental talks with North Korea expected to open in November.

Japan did not discuss compensation for suffering during the postwar years during talks with South Korea which led to the 1965 establishment of diplomatic ties, said the official speaking on condition that he not be identified. There is no legal responsibility on the part of Japan for the absence of diplomatic ties with North Korea during the postwar years, he said.

Meanwhile, LDP Executive Council Chairman Takeo Nishioka urged deep debate within the party and cautioned against any hasty conclusion to the postwar compensation issue. Nishioka told reporters that Japan should not treat North Korea better than it has South Korea.

Earlier on Monday, South Korean Ambassador to Japan Yi Won-kyong paid a visit to Vice Foreign Minister Takakazu Kuriyama and expressed doubts over the proposed postwar compensation to North Korea.

But Sakamoto did not rule out the possibility that Japan will take the LDP's position into account. He said the party based its commitment largely on political considerations and amicable feelings toward North Korea.

Japan should "naturally treat (North and South Korea) on an equal basis" and provide North Korea with economic cooperation in line with what it did for South Korea, he said.

Kuriyama told Yi that the Japanese Government must clarify what it can and cannot agree on with North Korea in their negotiations.

Yi expressed South Korean concern at the possibility that Japan might compensate North Korea for postwar losses, saying such a payment would not be acceptable in the context of Japan-South Korean relations, Foreign Ministry officials said.

Kuriyama assured Yi that Tokyo will continue to consult closely with Seoul while conducting intergovernmental talks with Pyongyang toward the establishment of diplomatic ties, the officials said.

The Japanese Government is well aware that the talks with the North will have an impact on detente, peace, and security on the Korean peninsula, Kuriyama was quoted as saying.

The South Korean envoy expressed doubt about the statement in the joint declaration that "Korea is one," telling Kuriyama that Seoul opposes this if it is meant to deny the legitimacy of South Korea. Yi also questioned why the declaration referred to Japanese leader Toshiki Kaifu in his status as prime minister.

Kuriyama told Yi that the declaration merely explained the Japanese Government position on Japan's past colonial rule of Korea.

The declaration said, "In his personal letter to President Kim Il-song, LDP President Kaifu admitted that there was an unfortunate past imposed by Japan upon Korea and expressed the hope to improve the North Korea-Japan relations, saying, "former Prime Minister (Noboru) Takeshita expressed deep remorse and regret over such unfortunate past at the Diet in March last year. I, as prime minister, share his view.""

Kanemaru To Discuss DPRK Ties With No Tae-u

OW0310141390 Tokyo KYODO in English 1339 GMT 3 Oct 90

[Text] Tokyo, Oct. 3 KYODO—Former Deputy Prime Minister Shin Kanemaru will make a one-day visit to South Korea on October 8 to meet South Korean President No Tae-u and explain the joint declaration between a Japanese mission and the ruling North Korean Workers' Party that Japan should compensate North Korea for its "losses" since the end of World War II. Kanemaru made the remark in a meeting with reporters in referring to the issue of "losses," over which South Korea earlier expressed its concern.

In Pyongyang last week, Kanemaru signed the joint declaration by the Liberal Democratic Party, the Japan Socialist Party, and the North Korean Workers' Party, and said that Japan should fully apologize and provide compensation for its 1910-1945 colonization of the Korean peninsula and for "losses" inflicted on the North Koreans in the postwar years since 1945. Kanemaru said he will have a private meeting with No and will tell him that Japan is seeking improved relations with North Korea. Kanemaru said he will also tell the South Korean president that in negotiations over compensation, Japan has no intention of treating Pyongyang better than Seoul.

The issue of postwar "losses" was never brought up in the negotiations leading to the 1965 normalization of relations between Japan and South Korea. Tokyo did provide 500 million dollars in economic cooperation to Seoul as compensation for its colonial rule.

Kaifu Welcomes ROK-USSR Diplomatic Relations

OW0110044690 Tokyo KYODO in English 0338 GMT 1 Oct 90

[Text] New York, Sept. 30 KYODO—Japanese Prime Minister Toshiki Kaifu on Sunday welcomed as "historic" the establishment of diplomatic relations between South Korea and the Soviet Union.

"This event shows an East-West thaw is steadily reaching the Korean Peninsula and is of historic importance," Kaifu said. He also said it represented a "big achievement" for South Korean President No Tae-u's diplomacy.

The Japanese leader pledged to endeavor to maintain close contact with South Korea, the United States, and other countries concerned to secure peace and stability on the peninsula.

Sakamoto on Soviet-South Korean 'Rapprochement'

OW0110071290 Tokyo KYODO in English 0622 GMT 1 Oct 90

[Text] Tokyo, Oct. 1 KYODO—A Japanese Government spokesman said Monday that the rapprochement between South Korea and the Soviet Union reflects "a fundamental change in the confrontation between the East and West."

Chief Cabinet Secretary Misoji Sakamoto told reporters in a regular press meeting that Japan welcomes the normalization of relations between Moscow and Seoul, announced earlier at the United Nations in New York. He said Japan will help promote dialogue between the two Koreas and seek improved relations with Pyongyang while consulting closely with the United States and South Korea.

Pyongyang proposed talks with Japan on the normalization of bilateral relations while Japanese delegations of the ruling Liberal Democratic Party and the Japan Socialist Party visited North Korea from September 24 to 28.

Japanese Foreign Ministry sources said the normalization of relations between Moscow and Seoul will promote an easing of tensions on the Korean peninsula, which in turn will promote stability in Asia.

They described the Moscow-Seoul rapprochement as a result of No's diplomacy and said the new approach to foreign policy by Soviet President Mikhail Gorbachev has now begun reaching Asia and the Pacific. The sources said the Soviet move will put pressure on North Korea to change its policy and seek diplomatic ties with Japan.

Gorbachev indicated last week that he is prepared to discuss Japan's claim to four Soviet-held islands off Hokkaido when he visits Japan next April. The sources said, however, that Gorbachev has not yet shown any sign of changing Soviet policy toward Japan, including the territorial issue.

Japan will impress on the Soviets the need to resolve the territorial issue before Gorbachev makes the visit, the sources said. The four islands—the Habomais, Shikotan, Etorofu, and Kunashiri islands—have been occupied by the Soviets since the end of World War II.

BOJ To Normalize Relations With PRC Bank

OW0310135190 Tokyo KYODO in English 1232 GMT 3 Oct 90

[Text] Tokyo, Oct. 3 KYODO—The Bank of Japan (BOJ) will normalize relations with the People's Bank of China by sending its high-level officials to the country for the first time since June 1989, a central bank source said Wednesday.

Personnel exchanges have been suspended under international sanctions since the military crackdown in Beijing's Tiananmen Square in June last year, which involved a ban on high-level officials' visits and new government and commercial credits. Before the sanctions, the two central banks had been exchanging personnel annually.

Akira Kanno, executive director of the BOJ, and other senior officials will visit China from October 15 for talks with the Chinese central bank governor, Li Guixian, and other financial leaders in the nation. According to the source, Li's planned visit to Japan this month had been cancelled apparently due to the delay in working out China's eighth five-year economic plan for 1991-1995. The plan is expected to be submitted at the plenary session of the Communist Party's Central Committee slated for late this month.

Meanwhile, the Japanese Government has also decided to carry out its third loan to China, valued at 810 billion yen for the 1990-1995 fiscal year. The loan had been also suspended after the Tiananmen incident.

Banks Said Preparing To Open Offices in SRV

OW0110091090 Tokyo KYODO in English 0814 GMT 01 Oct 90

[Text] Tokyo, Oct 1 (KYODO)—Major Japanese commercial banks are preparing to open representative offices in Ho Chi Minh City and Hanoi, the Vietnamese capital, in a step toward setting up branch offices.

The first such representative office could be established in the first half of next year, banking sources said on Monday, marking the resumption of Japanese banking operations there after a 16-year absence in the wake of the 1975 downfall of capitalist South Vietnam. The Bank of Tokyo is among the Japanese banks, according to the sources.

The move comes in tandem with ongoing talks between the four warring factions in Cambodia, which have raised the prospect of an end to the nation's 12-year civil war, the major obstacle to Western entry into Vietnam.

Before the Vietnam War, a number of Japanese and other Western banks had branch offices in Saigon, Ho Chi Minh City's former name, making the country a major financial center in Indochina. But the communist takeover of Vietnam in 1975 has kept Japanese money away from the country, inviting an economic boycott by the United States and pressure from the Japanese Government against investment there.

The turning point came at the Vietnamese Communist Party's Sixth Congress in late 1986, when pragmatic party leader Nguyen Van Linh launched "do moi," the Vietnamese equivalent of Moscow's perestroyka.

Hanoi's attempt to experiment with market forces was geared up in January 1988, when Vietnam adopted one of the most liberal foreign-investment codes. The code allows foreigners to hold up to a 99 percent stake in joint ventures, provides for production-sharing arrangements in oil and gas finds, and permits 100 percent foreign-owned ventures in certain circumstances.

The new foreign investment criteria have since brought some 150 cases of foreign investment, or 1 billion dollars in foreign capital, including two Japanese commitments.

In the banking arena, however, progress has been so slow that only a handful of foreign banks have moved into the country. No Japanese bank has either a representative or branch office there at present, for the continuing feud in Cambodia has stood in the way of Japan's capitalizing on Vietnamese reform, ruling out official Japanese aid which would be a prelude to inflows of private capital.

The fact that Vietnam is in default to the International Monetary Fund and that it has no diplomatic relations with the United States have also kept the Japanese from getting their feet wet in the country.

But with Washington and Hanoi in the process of restoring their relations and with peace in the Cambodian war in sight, the climate is changing, a factor which has turned Japanese attention from political risks to investment opportunities.

Vietnam, a nation abundant in oil and other natural resources, has growth potential for foreign investment, bankers say.

"Japanese companies in the electronics, precision instruments and foodstuff industries are increasingly looking at business opportunities in Vietnam," one source at a major commercial bank said.

Talks on Trans-Siberian Flights Planned

OW0510093890 Tokyo KYODO in English 0901 GMT 5 Oct 90

[Text] Tokyo, Oct. 5 KYODO—Japan and the Soviet Union will discuss increasing trans-Siberian flights by Japanese Airlines in talks October 8-11 in Moscow, the Transport Ministry said Friday.

Moscow now allows 35 weekly Japanese flights via Siberia on a round trip basis between Japan and Europe.

Ministry officials said Tokyo wants to win Soviet approval to expand such services to pave the way for launching nonstop flights on the Tokyo-Berlin route.

The ministry will negotiate these flights with Germany, the officials said.

U.S.-Proposed Extension of Chip Pact Denied

OW0510081590 Tokyo KYODO in English 0742 GMT 5 Oct 90

[Text] Tokyo, Oct. 5 KYODO—The United States has not proposed extending the bilateral agreement on computer chip trade, which expires next July, an official at the Ministry of International Trade and Industry (MITI) said Friday.

The remark negated a newspaper report that the U.S. made such a proposal at the bilateral semiconductor talks held Thursday in Washington.

The NIHON KEIZAI SHIMBUN, a leading economic daily, reported in its Friday morning edition that Washington called for a five-year extension of the 1986 Japan-U.S. semiconductor agreement.

The MITI official said it is possible the U.S. might table such a request at the scheduled bilateral meeting in January.

Under the terms of the accord, Japan undertook to increase semiconductor chip imports to at least 20 percent of the Japanese market by 1991.

The foreign share stood at 13.3 percent during the April-June period, according to world semiconductor trade statistics.

NGK Insulators To Sell Products in U.S.

OW0110151390 Tokyo KYODO in English 1347 GMT 01 Oct 90

[Text] Nagoya, Oct. 1 KYODO—NGK Insulators Ltd. said Monday it has been appointed the exclusive distributor in Japan of lithium niobate single-crystal products—promising industrial ceramic devices in optical fiber communications—by Crystal Technology Inc. (CTI) of Palo Alto, California.

The products are currently used as filters to prevent unnecessary electric waves from entering television receivers. They are expected to be in increasing demand in the future as part of key components in optical fiber communications—including signal converters and strength regulators.

NGK Insulators, already in the same field, has also agreed with CTI to develop new products that meet Japanese customer needs. CTI is known as a pioneer in the field of oxide single crystals, centered on the lithium niobate type.

Iraq's Invitation to Enthronement Viewed

OW0510093190 Tokyo KYODO in English 0911 GMT 5 Oct 90

[Text] Tokyo, Oct. 5 KYODO—Japan will likely revoke Iraq's invitation to Emperor Akihito's enthronement ceremony next month, a Foreign Ministry spokesman indicated Friday.

Taizo Watanabe, asked by reporters if the invitation to Baghdad will stand in the wake of its invasion of Kuwait, replied, "I do not think that is going to be the case."

Japan has invited Iraq to send a high-level official, and Vice President Taha Muhyi-al-Din Ma'ruf was expected to attend the ceremony, scheduled for November 12, along with dignitaries from as many as 100 countries, including top leaders.

Watanabe said a decision will be formally announced next week, based on "the status of relations between our two countries."

Metal Mining Agency To Aid Mexican Project

OW0310002890 Tokyo KYODO in English 2305 GMT 3 Oct 90

[Text] Tokyo, Oct. 3 KYODO—The Metal Mining Agency of Japan said Wednesday it has agreed to cooperate with its Mexican counterpart in a research project designed to find effective uses for untapped metal resources in the Latin American country.

The agency will work with Comision de Fomento Minelo, in an attempt to boost the productivity of Mexico's mining industry by developing a system that will effectively extract gold and silver from sulfide ore. The study, to begin this fiscal year, is scheduled to last for five years.

The purpose of the study will be to develop concentration technology using bacteria, refining technology, and technology to deal with hazards arising from the mining, the officials said. The organizations will also jointly build a pilot plant that can treat two tons of minerals a day, they said.

The budget for the first fiscal year will total 16 million yen, to be earmarked for mineral and bacteria research. The agency will dispatch a research team to Mexico in November.

Envoys Protest Kajiyama's Remarks on Blacks

OW0310144590 Tokyo KYODO in English 1349 GMT 3 Oct 90

[Text] Tokyo, Oct. 3 KYODO—Six ambassadors from the African Diplomatic Corps in Japan called on the Foreign Ministry on Wednesday to protest Justice Minister Seiroku Kajiyama's recent remarks equating American blacks with prostitutes, Foreign Ministry officials said.

The envoys presented a letter from the African Diplomatic Corps addressed to Foreign Minister Taro Nakayama expressing "shock and surprise" at Kajiyama's claim that U.S. blacks and prostitutes both ruin good neighborhoods. In an apparent call for Kajiyama's dismissal, the letter urged the Japanese Government to prove that such biased views against blacks are not shared at the official level.

Officials said the diplomatic delegation was headed by Senegalese Ambassador Keba Birane Cisse and also included the ambassadors from Liberia, Madagascar, Nigeria, Ethiopia, and Algeria.

The envoys were quoted as telling Tomio Uchida, deputy director general of the ministry's Middle Eastern and African Affairs Bureau, that the African people were "deeply hurt" by Kajiyama's statement, particularly in view of past slights against blacks by high-ranking Japanese officials.

Uchida replied that the Japanese Government also views Kajiyama's statement as "inappropriate." Prime Minister Toshiki Kaifu, he said, has "strongly admonished" the justice minister.

Uchida told the envoys that the Japanese Goverment has an established policy of opposition to racial discrimination. He pledged continued efforts to enlighten the Japanese people about racial and minority problems, officials said.

While the Japanese official pointed out that Kajiyama has apologized and retracted his remarks, the African delegation's letter to Nakayama appeared to call for his resignation or dismissal. "It is necessary that, further to the apologies of Mr. Kajiyama, an adequate action be taken by the Japanese Government so that similar anti-black declarations would be avoided in the future," the letter said.

It called for proof "that while these declarations have been repeatedly made, they do not reflect the real stance of the Japanese Government."

The letter noted the timing of Kajiyama's remarks ahead of the visit to Japan by South African black nationalist leader Nelson Mandela, scheduled October 27-30. "Receiving Mr. Mandela with insulting remarks aimed at his race seems to be highly inappropriate," it said.

This is the first time that the African Diplomatic Corps has protested a prejudicial statement by a Japanese official. The letter said the diplomatic corps had previously "refrained" from issuing reactions to similarly derogatory remarks made by former Prime Minister Yasuhiro Nakasone and former Finance Minister Michio Watanabe.

Kajiyama made his remarks to reporters on September 21 after observing a police and immigration crackdown on alleged foreign prostitutes in Tokyo's Shinjuku entertainment district. He said the presence of foreign prostitutes there "is like a bad currency driving out a good currency. ... It's like in America when neighborhoods become mixed because blacks move in and whites are forced out."

Rioting in Osaka District Continues for 4th Day

OW0510074090 Tokyo KYODO in English 0644 GMT 5 Oct 90

[Text] Osaka, Oct. 5 KYODO—Hundreds of rioters set fire to a railway station and looted shops in Osaka's Nishinari District Friday, clashing with police for the fourth successive day.

An extra 500 riot police were rushed to the area Friday, taking the total number of riot police deployed there to 2,000 since the disturbances began on Tuesday.

The latest bout of violence, which followed a temporary lull on Thursday, resulted in 43 arrests by early Friday, and police said 47 people had been injured.

They said the rioters are mostly day laborers who congregate in Nishinari, together with their supporters from outside the area. Nearly half the 43 people arrested were company employees and students from colleges and vocational schools.

The riots were sparked by allegations that a member of the local Nishinari Police Station had accepted about 3.5 million yen in bribes from gangster organizations that control allocation of jobs to the laborers.

The laborers criticize police for failing to stop the gangsters from exploiting them.

After a lull Thursday, about 300 people took to the streets before dawn Friday, walking along major thoroughfares, paralyzing traffic and disrupting daily life in the area.

At around midnight Thursday, a group of about 1,000 broke into and looted grocery stores near the police station before setting fire to them.

The rioters then moved onto the Route 26 highway in Nishinari's Airin District, where they battled riot police. They set an unmanned railway station ablaze and threw stones at firemen arriving to put out the fire. One group set trucks and cars parked along Route 26 on fire.

On Friday morning a truck was set on fire at Shinimamiya Station on the Osaka loop line, and the smoke caused a short-lived panic within the station. Buses in the area were pelted with rocks, and some changed their routes to keep away from the violence.

One bank employee who commutes into the area commented, "More than being an action critical of the police, it seems to be just reckless rioting."

A truck equipped with a loudspeaker parked outside the police station Friday morning and a middle-aged man standing on the truck launched into a speech alleging police corruption. Some 300 others gathered and began to throw rocks at the police station.

Tokyo Stock Plunges 'Should Benefit' Economy

OW0110125890 Tokyo KYODO in English 1121 GMT 01 Oct 90

[Text] Tokyo, Oct 1 (KYODO)—Recent plunges in Tokyo stocks should benefit the Japanese economy by bursting the bubble in prices and correcting the balance between the real economy and financial markets, according to an economic study group report released Monday.

Stock prices have been going through a phase of major adjustment recently, the Research Institute on the National Economy said in its report forecasting Japan's 1991-93 economy. However, neither such stock declines nor higher interest rates will strongly affect Japanese corporations, because their financial positions have strengthened during the ongoing economic boom, it said.

Corporations, including small and medium-sized ones, have to continue investment for rationalization and labor reduction, it said. Financial assets have further accumulated recently and plunges in stock prices will not necessarily have an adverse effect on them, the report added.

The report was released on the day the Nikkei stock average, the benchmark of the Tokyo Stock Exchange, marked its lowest fall in three years and seven months, barely managing to stay above the 20,000 yen line.

The report predicted that Japan's real economic growth rate in fiscal 1990 will be 5.2 percent, sustained by strong domestic demand. The rate in 1991 will slow to 4.2 percent due to tightened financial policies, but this will only be a phase of adjustment and growth will recover to 4.8 percent in both 1992 and 1993 to set a solid basis for long-lasting economic growth from then on, it said.

The report based its forecast on the assumption that the present Persian Gulf crisis would be solved by March next year without a war in the region. Crude oil prices will thus be settled at around 22 dollars per barrel, after trading on average at the 24-dollar level for the rest of 1990, it predicted.

As for consumer prices, the report forecast an average 1.8 percent rise each year until fiscal 1993, while predicting a corresponding 2.5 percent increase in wholesale prices.

It also foresaw a possible cut in the official discount rate, by around 0.5 percentage point, as inflationary pressure would be reduced by next summer. The yen could then gradually firm against the U.S. dollar, moving from 135 yen to 128 yen toward fiscal 1993, it predicted.

Yoshikazu Kano, chairman of the institution, in commenting on the bullish report, said the Japanese economy has become less affected by oil prices and is now in an "autonomous" growth stage led by domestic demand and not by the U.S. economy. Such an economic structure does not collapse so easily, he added.

North Korea

Official UN Membership Memorandum Distributed

SK0510100190 Pyongyang KCNA in English 0958 GMT 5 Oct 90

[Text] Pyongyang October 5 (KCNA)—A memorandum of the Foreign Ministry of the Democratic People's Republic of Korea dated August 13, 1990, concerning Korea's U.N. membership was distributed as official document S-21787 of the U.N. Security Council on September 25.

South Denounced for Infiltrating Combat Ship

SK0510043290 Pyongyang Domestic Service in Korean 0319 GMT 5 Oct 90

[Text] The South Korean puppets committed a grave military provocation of infiltrating a combat ship deep into the territorial waters in the West Sea of our side.

Yesterday, the South Korean puppets committed a grave military provocation of illegally infiltrating a combat ship deep into the territorial waters in the West Sea of our side. At around 0650, in order to commit hostile acts against our side's peaceful fishing boats, the South Korean puppets committed a criminal act of surprisingly infiltrating a destroyer from Paeknyong Island deep into the territorial waters in the West Sea off Changsangot on the western coast of our side.

When a patrol boat of the Navy of the Korean People's Army on routine patrol duty with vigilance rapidly went to the scene on the order to deter the wretches' combat ship, it hurriedly fled to its den, as its provocation attempt was foiled.

The open infiltration activities, which the South Korean puppets are currently committing in succession on the ground, air, and sea against the northern half of the republic, are premeditated and planned maneuvers, in order to create a grave stumbling block to the hard-won North-South dialogue for national reunification and to artificially aggravate the tense situation on the Korean peninsula while persistently seeking confrontation and division.

The soldiers of our People's Army are watching with high revolutionary vigilance the military provocations which the U.S. imperialists and the South Korean puppets have continued to commit against the northern half of the republic.

The U.S. imperialists and the South Korean puppets should look straight at the grave situation on the Korean peninsula, created by the wretches' game of playing with fire to touch off a new war, and act with discretion.

Senior MAC Member Protests JSA Provocations

SK0510050290 Pyongyang Domestic Service in Korean 0319 GMT 5 Oct 90

[Text] Major General Choe Ui-ung, senior member of our side to the Military Armistice Commission, yesterday sent a message of protest to the senior member of the U.S. side in connection with the enemies' aggravation of the situation by repeatedly committing provocations in the Joint Security Area [JSA] in Panmunjom. At around 1645, 1940, and 2330 on 3 October security guards of the enemy side perpetrated an act of provocation against our side's personnel, yelling at and making filthy gestures against them. At around 1930 on the same day and at around 0445 on 4 Oct security guards of the enemy side repeatedly pointed their flash lights on our side's personnel in a bid to disturb their duty.

Noting these provocations our side's senior member stressed that we cannot but pay serious attention to the fact that of late the enemy side has more viciously perpetrated provocations, including the infiltration of a fighter into our airspace and the distribution of propaganda materials against us in the JSA, which run counter to the favorably developing North-South dialogue. He then strongly protested the U.S. side's aggravation of the situation in the JSA in Panmunjom in flagrant violation of the Armistice Agreement and the agreements between both sides and strongly demanded that the U.S. side take a responsible step to prevent the recurrence of such provocations.

Commentary Denounces USSR Diplomatic Ties

SK0510042490 Pyongyang KCNA in English 0358 GMT 5 Oct 90

[Text] Pyongyang October 5 (KCNA)—NODONG SINMUN, the organ of the Central Committee of the Workers' Party of Korea, Friday published a commentator's article headlined "'Diplomatic Relations' Sold and Bought With Dollars," which reads in full:

The course of advance of history is always attended with the process of rise and fall, changing of alignments of countries and nations. It includes chapters shining with reputation and honor and incidents marred by scandals and stains.

The Soviet Union, making an about-turn of 180 degree in its stand, decided to establish "diplomatic ties" with South Korea this time, and this belongs to the latter category, we dare say.

According to foreign press reports, a "joint communique" on the decision to open "diplomatic relations" between the Soviet Union and South Korea was published in New York on September 30. There is nothing mysterious in this. It is just the realisation of the rumors which had been constantly afloat. A cool scrutiny tells that the water has flown through its own course. Because, this establishment of "diplomatic relations" which smeared the reputation of the Soviet Union came at a time when the Soviet Union is going downhill to ruin, floundering in chaos and confusion in the vortex of "perestroyka."

At the Korean-Soviet foreign ministers talks in Pyongyang early in September, the Soviet side, explaining the "unavoidable circumstances" which forced it to decide to establish "diplomatic relations" with South Korea, emphasized passionately that the Soviet Union today is not that of the past days, but a completely "new state" and "new society."

Through various channels in the later period, the Soviet side contended that its opening "diplomatic relations" with South Korea "proceeds from the interests of the Soviet Union" and, it being a question "to be decided by the Soviet Union itself, a sovereign state," it needed no one's "approval."

To make the long story short, this meant that the Soviet Union today is not the Soviet Union of the past days when it adhered to socialist internationalism but it has degenerated into a state of certain other character and, therefore, it found itself looking for "new friends" corresponding to that and it needed not to hesitate to encroach upon the interests of other countries, other nations and even the allies for its own interests. And, if it had made a promise to us on the question of its relations with South Korea, it is no longer valid now.

In a sense, this may be regarded rather as a frank confession.

However, as to its subterfuge, we think it necessary to say what we want to say and square accounts.

Only a few years ago, the top person in authority of the USSR himself said the Soviet Union would never change its principled stand towards South Korea.

The Soviet diplomatic chief also told us so not only once.

The DPRK-USSR joint communique published in December 1988 proclaimed that "the Soviet side confirmed no change in its principled stand toward South Korea" and that "it is not willing to officially recognize South Korea or establish political and diplomatic relations with South Korea".

Today, the Soviet Union threw all these unequivocal commitments into the dust bin and decided to establish "diplomatic relations" with South Korea. Can this be described otherwise than as "betrayal"?

The Soviet Union has ignored and systematically violated the Treaty of Friendship, Cooperation and Mutual Assistance signed between the DPRK and the Soviet Union.

It talks about "recognition of the reality" and "change of the situation" in an attempt to justify its unseemly behavior.

As far as the Soviet Union is concerned, it should share responsibility with the United States for dividing Korea by the 38th parallel after World War II and, at the same time, it was the first to recognize the DPRK as the only legitimate state of the Korean nation.

The Soviet Union's establishment of "diplomatic relations" with South Korea means legally recognizing the existence of "two Koreas" in Korea, totally abandoning its commitments and committing separatist acts against the reunification of Korea, even though it uses the phrase of "recognition of the reality" as an excuse.

As for its argument about "change of the situation", it is not the change of the situation but the change of the Soviet Union's stand and viewpoint.

If the breach of the commitments by the Soviet Union resulted from a change of power as in some other countries, it would be understandable to some extent.

In case of the Soviet Union, however, it is quite different.

From the fact that those who had made commitments themselves now openly go back on their words, feigning innocence, we can see how much their moral value and standard of conscience measure.

In point of fact, in the Soviet Union the glorious history itself of the Soviet people's hard struggle ever since the October Revolution is now denied and defined as "an era of darkness." Such being the case, it matters nothing for them to discard the commitments they had made with us the other day.

When the establishment of "diplomatic relations" with South Korea by the Soviet Union is viewed from another angle, no matter what their subjective intentions may be, it, in the final analysis, cannot be construed otherwise than openly joining the United States in its basic strategy aimed at freezing the division of Korea into "two Koreas," isolating us internationally and guiding us to "opening" and thus overthrowing the socialist system in our country.

Viewed from the present stand of the Soviet Union which makes it an unquestioned rule to avoid confrontation and establish "relations of companionship" between superpowers according to the "new mode of thinking," there is nothing strange even if it were rewarded for its joining and cooperation with the United States in the latter's "two Koreas" policy after betraying an old friend.

This means the formation of a U.S.-Soviet Union-South Korea three-way collusion surrounding Korea and it will be a link in the chain of encirclement designed to disorganize socialism in Asia according to the "peaceful transition" strategy.

Reunification of divided countries today is an irresistible trend of the times. In Korea, too, the ardent desire of the entire people in the North and the South for reunification is running higher than before.

At this very juncture, the Soviet Union recognized South Korea as "a state" against the trend of the times and executed a volte-face toward obstructing reunification and inciting division, claiming that "two states" exist in Korea. This cannot be interpreted otherwise than an intention to take joint steps with the United States.

Not only once have we warned that if the Soviet Union established "diplomatic relations" with South Korea, it would fundamentally run counter to the Korea's cause of reunification, increase the misfortunes and sufferings of the Korean people from the national division, shatter the balance of forces, aggravate the North-South confrontation and arms race and push the situation to the extreme pitch of strain on the Korean peninsula.

These warnings, however, fell on deaf ears.

As long as dominationist forces exist in the world such practices of trifling with the destiny of small countries and nations and victimizing them do not cease.

This is borne out by the barbarous U.S. armed invasion of Panama in late 1989 right after the summit talks in Malta.

The establishment of "diplomatic relations" with South Korea by the Soviet Union cannot merely be regarded as confined to itself.

"Soviet-South Korean summit talks" was held in the United States in June last through the good offices of U.S. President Bush and, as a direct extension of it, the establishment of "diplomatic relations" between the Soviet Union and South Korea was announced there on the U.S. soil. This fact alone strongly suggests that it is an offspring of the Soviet-U.S. collusion behind the curtain.

It is self-evident from this what the "new mode of thinking" and "ideology-free international relations" heatedly advocated by the Soviet Union imply.

They mean, in essence, making "friends" with Uncle Sam, meekly accepting whatever he demands and winning his favor in order to preserve peace.

Therefore, it may be said to be a natural logical outcome that the Soviet Union does not want to stand against the United States in support of its "ally," the DPRK, concerning the Korean issue but tries to surbordinate the DPRK to its strategic plan hand in hand with its "companion," the United States.

Other "unavoidable circumstances" which forced the Soviet Union to establish "diplomatic relations" with South Korea that was explained by the Soviet side in Pyongyang is that the Soviet Union has no other alternative than to set up "diplomatic relations" with South Korea as its economy is totally ruined and faces a crisis now.

This reminds us of the old saying that a drowning man will catch at a straw. But, seeing such a thing really happen in this world, we feel even a sense of futility.

How it came to such a pass that the Soviet Union which had styled itself a superpower in the world brought the country to the brink of bankruptcy in five years of the "restructuring" policy and is today asking for South Korea's assistance.

According to a report, coinciding with the news that the Soviet Union decided to establish "diplomatic relations" with South Korea, it was announced in Seoul that South Korea decided to grant "economic cooperation fund" of to the tune 2.3 billion dollars to the Soviet Union.

The Soviet Union sold off the dignity and honour of a socialist power and the interests and faith of an ally for 2.3 billion dollars.

The Soviet beginners who are making painstaking efforts to acquire the basic knowledge of the method of capitalist economic management, while turning the socialist economic system into a market economic system may feel satisfied, having learned that selling of an immaterial commodity, that is, the establishment of "diplomatic relations", at a "high price" is a profitable capitalist dealing.

As everybody knows, morality or obligation are not worth a farthing in the capitalist dealings. There everything is dominated by the inexorable consideration of interest whereby each want to remain alive at the sacrifice of the other.

Truth to tell, the whole course till the Soviet Union announced its establishment of "diplomatic relations" with South Korea is characterized by hypocrisy and betrayal urged by double-dealing tactics.

Today South Korea is not in a position to issue such a colossal sum of money. It is highly probable that it will come from the special fund of the U.S. imperialists for disorganizing socialism.

When the Soviet Union started "perestroyka", we sincerely wished it success in rejuvenating socialism and the Soviet Union prosperity and development.

Still now we hope that the "perestroyka" of the Soviet Union will bear good fruits.

To this end, it must rely on its own strength.

There is no change in the basic strategy of imperialism to overthrow socialist countries by means of military threats and blackmail, economic buying and subjugation and ideological and cultural disorganisation.

A dignified and independent socialist country must naturally heighten vigilance against this and never get involved in the crafty disrupting moves of the imperialists, obsessed with dollars.

The global situation is, indeed, complicated and acute at present. "Reconciliation" between superpowers is said to bring detente to the international situation, but, on the contrary, it is shaking and aggravating the situation in some regions.

Although the changing alignment and tieup of great powers, each seeking its own interests, still have a great effect on the world, the world today is by no means ruled only by the will of the great powers.

The present is an era of independence.

No matter how serious the twists and turns may be, we will go our way to the end, making detour of whatever rocks that may crop up on the way.

History has not allowed and will not allow perfidy and betrayal, injustice and arbitrariness.

Our people will march forward, full of confidence in victory, without vacillation in any wind, under the unfurled banner of the chuche idea and defend their socialist position as an impregnable fortress and accomplish the cause of national reunification without fail.

Ghanaian Chuche Group on N-S UN Entry

SK0410012390 Pyongyang KCNA in English 0444 GMT 1 Oct 90

[Text] Pyongyang October 1 (KCNA)—If the South Korean authorities truly want reunification, they should fully support the great leader President Kim Il-song's proposal to share one seat in the United Nations and respond to it in conformity with the desire and demand of the entire Korean people and the world's peaceloving people.

The Executive Committee of the Ghanaian National Institute of the Chuche Idea said this in a statement on September 21.

It stressed that this proposal is a most realistic and fair one for settling the internal affairs of the nation in such a manner as to promote reunification when the country remains divided.

Noting that the South Korean authorities are talking about "simultaneous or unilateral entry into the United Nations" at a time when the question of jointly entering the United Nations is under discussion, the statement branded this as an unpardonable act throwing a wet blanket over the North-South dialogue.

Kim Meets U.S. Socialist Party Delegation

SK0510112390 Pyongyang KCNA in English 1117 GMT 5 Oct 90

[Text] Pyongyang October 5 (KCNA)—The great leader Comrade Kim Il-song today received the visiting delegation of the Socialist Workers' Party of the United States led by its National Secretary Jack Barnes.

Present on the occasion were Choe Tae-pok, alternate member of the Political Bureau and Secretary of the C.C. [Central Committee], Workers' Party of Korea [WPK], and Kim Hyong-u, deputy-director of a department of the WPK Central Committee.

Comrade Kim Il-song conversed with the guests in a cordial and friendly atmosphere.

The head of the delegation presented him with a gift.

Comrade Kim Il-song arranged a lunch for the guests.

WPK Officials Meet Delegation

SK0410235190 Pyongyang KCNA in English 1653 GMT 4 Oct 90

[Text] Pyongyang October 4 (KCNA)—Talks between the delegations of the Workers' Party of Korea [WPK] and the Socialist Workers' Party of the United States were held in Pyongyang on October 4. Present on our side were Choe Tae-pok, alternate member of the Political Bureau and secretary of the WPK Central Committee; Kim Hyong-u, deputy director of a department of the WPK Central Committee, and other officials concerned and on the opposite side were members of the delegation headed by Jack Barnes, national secretary of the party. The talks proceeded in a friendly atmosphere.

Soviet 'Koreans' Society' Official Arrives

SK0510100590 Pyongyang KCNA in English 1000 GMT 5 Oct 90

[Text] Pyongyang October 5 (KCNA)—Sin Aleksey Semyonovich [as received], vice-chairman of the Koreans' Society in the Soviet Union, arrived here Thursday to attend the celebrations of the 45th anniversary of the founding of the Workers' Party of Korea.

He was met at the airport by vice-chairman of the Committee for the Peaceful Reunification of the Fatherland Han Si-hae and Deputy Director of the General Bureau of Overseas Compatriots Affairs Kim Tu-chil.

Qian Qichen's Comments on Reunification

SK0510100790 Pyongyang KCNA in English 1002 GMT 5 Oct 90

[Text] Beijing October 4 (KCNA)—Chinese Foreign Minister Qian Qichen referred to the reunification question of Korea in his speech at the Association for Asian Studies in the United States, on October 2, according to the Chinese PEOPLE'S DAILY October 4.

He said:

China always judges what is beneficial to the detente and stability on the Korean peninsula before taking its position.

We consider that the basic way of settling the Korean question is for the North and the South of Korea to peacefully solve the question of the country's reunification through negotiation and dialogue without outside interference.

China supports the strenuous efforts of the Democratic People's Republic of Korea to ease the situation on the Korean peninsula and realize the independent and peaceful reunification of the country.

We also hope the parties concerned will take substantial and effective steps to drastically lower the military confrontation level in this region.

Economic Delegation to Libya Returns

SK0510100390 Pyongyang KCNA in English 0959 GMT 5 Oct 90

[Text] Pyongyang October 5 (KCNA)—The Korean Government economic delegation headed by Vice-Premier Kim Tal-hyon returned home Thursday after paying a visit to Libya.

It was met at the airport by Minister of External Economic Affairs Chong Song-nam, Vice-Minister of Foreign Trade Han Su-kil and Libyan and Soviet diplomatic envoys to Korea.

Greetings Sent to Communist Party of Canada

SK0510113190 Pyongyang KCNA in English 1023 GMT 5 Oct 90

[Text] Pyongyang October 5 (KCNA)—The Central Committee of the Workers' Party of Korea on October 4 sent a message of greetings to the 28th Congress of the Communist Party of Canada.

The message expresses firm solidarity with the Communist Party of Canada in its struggle for defending the democratic rights of the labouring masses and preserving world peace against war.

Expressing the belief that the friendly and cooperative relations between the two parties will continue to grow stronger and develop in the future, too, it wishes the party congress great success in its work.

International Symposium on Acupuncture Opens

SK0510112090 Pyongyang KCNA in English 1054 GMT 5 Oct 90

[Text] Pyongyang October 5 (KCNA)—The 5th National Scientific Symposium on Acupuncture and Moxibustion was held here over October 2-4.

The symposium was attended by Minister of Public Health Yi Chong-yul, Chairman of the Central Committee of the Korean Medical Association Choe Chang-sik, President of the Korean Academy of Traditional Medical Science Choe Won-sok and other officials concerned and experts in acupuncture and moxibustion and medical workers.

Participating in it were U. Ko Ko [name as received], director of the Southeast Asia Regional Office of the World Health Organisation (WHO), delegates of the WHO and Chinese, Soviet and Polish delegations and delegates.

Read at the symposium were more than 170 scientific papers on the successes and experiences gained in the studies of the theory of acupuncture and moxibustion for putting Eastern medicine on a scientific basis by properly combining it with the Western medicine and in medical treatment and preventive work.

The symposium will mark an important occasion in widely introducing and generalizing the successes made in scientific researches in the traditional medical field and in intensifying medical exchange among nations.

The central committee of the Korean Medical Association gave a reception for the participants in the symposium.

'Full Text' of Kim Chong-il Treatise Published

SK0410102790 Pyongyang KCNA in English 0958 GMT 4 Oct 90

[Text] Pyongyang October 4 (KCNA)—Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea [WPK], published the treatise "The Workers' Party of Korea Is the Organizer and Guider of All Victories for Our People" in No. 10, 1990 edition of KULLOJA, the politico-theoretical magazine of the WPK, at the request of KULLOJA on the 45th anniversary of the founding of the WPK.

NODONG SINMUN October 4 carries the treatise.

The full text of the treatise reads:

Forty-five years have passed since the Workers' Party of Korea, the general staff of the Korean revolution and the guiding force of our people, was founded.

Our party has performed brilliant exploits, which will shine forever in history, for the freedom and happiness of the people and the prosperity and progress of the country, coming a long and thorny path under the banner of the chuche idea. It carried out serious social reforms and grand construction work, overcoming manifold difficulties, and converted ours into a socialist country independent in politics and self-reliant in the economy and national defence, and firmly defended the country and revolution against imperialist aggression and the subversive acts of the class enemies. Our party, boundlessly faithful to the cause of independence of mankind, fulfilled its international duty creditably and made valuable contributions to the development of world revolution.

Through its protracted, arduous and glorious struggle our party has strengthened and developed into a veteran and militant party which always leads the people to victories in any storm and stress, a seasoned general staff of the Korean revolution which commands the implicit support and confidence of all the people.

Today our party members and working people look back upon the revolutionary road traversed by our party with great pride and self-confidence and are full of a determination to fight more vigorously to build a socialist paradise in our country and achieve national reunification, the cherished desire of the nation, under the banner of the party.

At present on the international scene an acute struggle goes on between progress and reaction and between revolution and counterrevolution and the socialist cause, the cause of independence of mankind, is faced with a grave challenge of the imperialists.

Our party's duty to our revolution and world revolution has become heavier. To meet the requirements of this reality we must further strengthen our party and heighten its leadership role in the revolution and construction so as to discharge our mission admirably.

1. Party Leadership Is the Decisive Guarantee of Victory in the Socialist Cause

Party leadership is vital to the socialist cause.

The socialist cause in our country has advanced and triumphed under the leadership of our party, and it will be completed splendidly in the future, too, only under party leadership.

Party leadership is the decisive guarantee of strengthening the driving force of the socialist cause and increasing its role.

The socialist cause is a revolutionary cause which the masses of the people, who have emerged as the independent driving force for the first time in human history, carry out by themselves. The masses of the people have long remained outside history though they have made history. It is the working-class party that awakens and organizes them into a strong driving force which shapes its destiny independently and creatively.

Under the guidance of our party led by respected Comrade Kim Il-song our people have become the independent driving force which advances society and revolution dynamically as the genuine masters of its destiny. Our party has always directed great efforts to building up the revolutionary ranks for the revolution and construction, and waged a more vigorous struggle to strengthen the driving force of the revolution as socialist construction developed to a high stage. Our party firmly equipped all our people with the chuche idea, closely united them behind the leader organizationally and ideologically, and morally, thus making the revolutionary ranks a socio-political organism. Today the Workers' Party of Korea stands firmly in the centre of the revolutionary ranks in our country, and the masses of the people, who have surmounted all manner of ordeals sharing their destiny with the party in the long revolutionary struggle, are united rock-firm behind the party and the leader with one mind and one will.

Our people are displaying an inexhaustible creativity in socialist construction under the party's leadership. The great driving power of our socialist construction is, above all, the politico-ideological strength, conscious zeal and creative activity of our people. This comes from the leadership of the party which educates the people to regard the socialist cause as their own undertaking from the bottom of their hearts. The collective strength, mass heroism, of our people pushing forward socialist construction, too, is brought into full play by the leadership of the party which combines the interests of individuals and the collectives and increases the power of unity and cooperation. The creativity of our people is displayed to the full in socialist construction. This reality clearly shows that the slander of the imperialists that party leadership restricts the creativity of people is a counterrevolutionary sophistry to whip up bourgeois liberalization and undermine socialism.

In the future, too, we must continue to strengthen party leadership, thus steadily consolidating the close revolutionary unity of our people around the party and the leader, and giving full scope to the devotion and creative zeal of the people in the struggle for the complete victory of the chuche revolutionary cause.

Party leadership is the fundamental condition for advancing the socialist cause in accordance with correct struggle strategy and tactics.

The socialist cause is a difficult and complex undertaking which is accompanied with an acute class struggle and through which we must create new things while blazing the trail. Only correct struggle strategy and tactics show the socialist cause clear-cut direction and ways to explore its road successfully.

The strategic and tactical leadership of the socialist cause can only be given by the working-class party that can show correct ways to develop society and revolution and can organize and mobilize the broad masses. The position and role of the party as the general staff of the revolution which proposes the correct strategy and tactics of socialist construction and organizes and leads the struggle to implement them cannot be taken by any other organizations or bodies. Of all organizations and bodies including state power organs in socialist society the working-class party alone has emerged with the mission to give political strategic and tactical leadership to the society and revolution, and it alone is capable of fulfilling this mission.

In every period and stage of the revolution and construction work our party set out a chuche-oriented line and policy in keeping with the desire of our people and the actual conditions of our country and carried them out by mobilizing the entire people, thereby advancing our socialist construction along the straight road and bringing about an amazing miracle and change.

In the future, too, we will ceaselessly strengthen the strategic and tactical leadership of the party, the general staff of the revolution, and thus advance the socialist cause unwaveringly along the road of victory.

The party's leadership is an indispensable requisite to consistent adherence to and thorough implementation of the revolutionary principle in the whole course of carrying forward the socialist cause.

The socialist cause differs from other social movements for its revolutionary principle and advances by relying on the justice and vitality of its principle. The history of the revolutionary struggle shows that when the revolutionary principle is firmly maintained, the socialist cause will progress in face of any difficulty and ordeal, but that when it is given up the socialist cause will deteriorate and bog down halfway.

Adherence to the revolutionary principle in the building of socialism means safeguarding and meeting the fundamental demand of the working class and masses for independence and their interests to the end. In the course of building socialism the circumstances and conditions of struggle may change, but the fundamental demand and standpoint of the masses of the people to realize their independence cannot change. If the socialist cause is to be completed to the end, one must always stick to the revolutionary principle of defending and materializing the independence of the masses.

The independent demand and interests of the masses can be firmly maintained and realized by the leadership of the working-class party alone. The working class embodies independence at the highest level and struggles more staunchly to realize the independent demand and interests of the masses than any other classes and social sections. The working class and its party have no other demands and interests than those of the people, and the mission of the working-class party is precisely to zealously defend and materialize the demand and interests of the masses.

It is due to the revolutionary leadership of our party that the revolutionary principles reflecting the fundamental demand and position of the working class and masses are maintained invariably in our socialist construction. Our party established the socialist system and has consolidated and developed it in conformity with the independent demand and interests of the masses and pushed forward the revolution and construction work in keeping with the essential nature of the socialist-communist cause.

The more the imperialists intensified their counterrevolutionary and anti-socialist offensives to hamper the independent interests of the masses, the more resolutely our party defended and implemented the revolutionary principle.

The revolutionary principle of the working-class party in socialist construction is mainly expressed in its approach to the imperialists' anti-socialist manoeuvres. The imperialists' counterrevolutionary moves to hamper and destroy the socialist cause can be successfully frustrated only by the principled struggle of the working-class party. The fact shows that the counterrevolutionary offensive of the imperialists does not work where the party adheres to the revolutionary principle and that socialism falls sick where the party steps back from and forsakes its principle.

Thanks to the guidance of our party which has consistently and resolutely adhered to the revolutionary principle in the whole course of the revolutionary struggle, our people could advance dynamically along the road of revolution under the banner of socialism even under the unprecedentedly complex and acute situation caused by the U.S.-led imperialists' concentrated offensive. Thanks to our party's principled struggle, all sorts of the imperialists' sabotage and wrecking activities have been thoroughly frustrated in our country and the socialist cause firmly safeguarded. Even under the present situation in which the unexpected complicated events have taken place within the Communist movement, our revolution has been maintaining a clean slate without the slightest wavering. Proceeding from the fundamental requirements of socialist construction and from the experience and lesson of the revolutionary struggle, we should resolutely follow and carry out the revolutionary principle, socialist principle in the state and public activities under the party's guidance.

It is the invariable will of our party and people to complete the cause of socialism and communism by strengthening the party and raising its leadership role. The party's revolutionary leadership is necessary not only for the successful promotion of socialist construction, but also for the building and development of the communist society. Even in the communist society the people's independent demand will continue to increase. This can be realized only by the conscious and organized struggle of the popular masses under the political guidance of a guiding force like the party. We should strengthen our party still further and continuously raise the party's leadership role in keeping with the present requirement of socialist construction and the long-range requirement of the socialist society that is developing.

2. We Should Further Strengthen and Develop Our Party Into a Revolutionary Party of a Chuche Type.

Our party's primary efforts have always gone into strengthening the party itself in discharging the mission it assumed on behalf of the guiding force of the revolution. We, in the future, too, will ceaselessly strengthen and develop our party and invariably lead the socialist cause to the road of victory.

What is most important in strengthening and developing our party is to firmly uphold its revolutionary character which befits the party of a chuche type.

Defending this character is a crucial matter which will affect the existence of the party and the destiny of the revolution. In the course of the development of revolution, there may be a change in the duty of the party, its strategy and tactics, and its methods of struggle. But there should be no change in the party's revolutionary character. If there is a change in the character of the party, it will lose its original nature and turn into an alien one. In the long run, it will fail to carry out the functions of leading the revolution. Now that the imperialists in opposing socialism, are directing the spearhead of attack to degenerating the party, the guiding force of the socialist society, we should further strengthen the struggle to uphold the revolutionary character of the party.

The revolutionary character of our party as a party of a chuche type is defined by the chuche idea, the guiding ideology of the party.

If we are to invariably maintain this character, we should firmly safeguard the party's guiding idea and inherit it in perfect purity. Of course, the guiding idea of the party should be developed without let-up and brought to completion as the times and revolution advance. However, even if circumstances and conditions of the revolution change, the revolutionary principle of the guiding idea should be firmly upheld and there should be no room for an alien ideological trend. If the revolutionary principle was forsaken and heterogeneous ideological trends are adopted because the guiding idea of the party does not accord with the changed circumstances and conditions, the party would be swayed to the road of revisionism.

Our party is a new-type revolutionary party of the working class, which is guided by the chuche idea. Guided by this idea, it has been built and has strengthened and developed. Because it is guided by the chuche idea, our party has become an ever-victorious party with the most solid foundation, with a unique history of development and with great exploits and valuable experience. Our party has carved out the absolutely correct road in the building of the revolutionary party in the era of independence. When others were experiencing setbacks, our party has been able to uphold the revolutionary banner without the slightest vacillation. This is because party-building and party activities have been carried out, guided by the chuche idea.

The fact that our party was built on the basis of the chuche idea has enabled it to preserve its class character. In the past our country was a colonial and semi-feudal society. So, the working class was young and the members of working-class origin were small in party membership composition. But, because our party was guided by the chuche idea, it could be founded and strengthened as a working-class party from the start and it could rapidly expand and develop into the ranks of communist revolutionaries. Because our party carried out party-building and party activities on the basis of the chuche idea, it has been able to maintain its class character in keeping with its revolutionary nature even under the condition in which the revolution has covered a long distance and the circumstances of struggle and its tasks have changed.

In the future, too, we must always remain true to the revolutionary banner of the chuche idea, the guiding idea of our party, vigorously promote the work to make the chuche idea sweep the whole party, and thus develop it into an eternally revolutionary party of a chuche type. We must see to it that the cadres and party members are firmly armed with the chuche idea, that they acquire the chuche-oriented revolutionary outlook on the world and that they become the communist revolutionaries of a chuche type who actively fight for the realization of the chuche idea. Along with this, we must firmly defend the purity of the chuche idea and wage an uncompromising struggle against all sorts of out-moded ideas such as bourgeois ideas and revisionism lest alien ideas contradictory to the chuche idea should infiltrate into our party.

In order to maintain the revolutionary character of the party, we must strengthen its social and class foundation still further.

Our party is a mass-based political party behind which the working class with its vanguard fighters as the core elements, farmers and the excellent progressive working intellectuals are rallied. The mass character of our party is a reflection of the basic demand of the present time when the broad sections of the working people are marching out in a struggle for independence, and, at the same time, the specific conditions of our revolution. This has made it possible for our party as a working-class party to accelerate its development into a revolutionary party which is deeply rooted among the broad masses, instead of weakening its class, revolutionary character.

We, in the future, too, must make increased efforts to consolidate the socio-class foundation of our party.

As socialist construction advances, the socio-class basis of the party grows in scope and strength. As a rule, as society develops the number of people engaged in physical labour decreases and intellectuals, people engaged in technical and mental labour, increase in the composition of population. But this does not mean that the socio-class basis of the working-class party weakens. In their socio-economic position those engaged in technical and mental labour are essentially in common with those engaged in physical labour.It is a law that as socialist construction progresses the socio-economic position of all members of society including intellectuals becomes that of the working class. It goes without saying that if the party slights ideological work in socialist society bourgeois ideology spreads among the members of society and the socio-class basis of the party weakens. The solidity of the socio-class basis of the working-class party is guaranteed by the high political and ideological standards of the masses and, accordingly, it depends on how the party does its work among the masses. Our party has always regarded the working class, peasantry and working intelligentsia as its socio-class footholds, intensified its political and ideological work among them, and striven to make all members of society revolutionary and assimilate them to the working class as socialist construction advances. In our country the work to make all members of society revolutionary and assimilate them to the working class has been promoted dynamically under the party leadership, with the result that the ideo-moral qualities of the working people, as well as their socio-economic position, are changing rapidly into those of the working class and the socio-class basis of our party has further expanded and strengthened.

It is most important in consolidating the class position of the party to build up its cadre and its ranks with people who are faithful to the revolutionary cause and fully prepared ideologically. We must build up the cadre with those who have been trained and tested in the revolutionary struggle and labour service for a long time, and those who have revolutionary sweep, organisational ability and popular characters. We must also strictly guard against the penetration of alien and chance elements into the cadre. We must admit to the party the hard-core elements of the working class who have been trained and tested and those who are loyal to the party's revolutionary cause, and must strongly build up the party ranks from the class point of view.

In order to strengthen our party it is also necessary to defend its unity and solidarity and consolidate it still further.

Our party has made the greatest efforts to strengthen the organisational and ideological unity and cohesion of the party ranks on the chuche principle of party building, and has achieved a signal victory in this process. We can say with confidence that our party has achieved the strongest, most vital unity and cohesion which no force can break and which can overcome any trials.

The unity and cohesion of our party means a single-hearted unity in which the whole party is united around the leader on the basis of one ideology, the chuche idea.

Ensuring firm uniformity of ideology and leadership is a basic principle which we must consistently maintain in the work of consolidating the party organisationally and ideologically and of strengthening and develop its unity and cohesion. The history of the Communist movement shows that there should be a single ideology in a party and that if there are different ideologies in a party it cannot achieve genuine unity even though it is an organisation. The unity which is based on the commonness of temporary interests or on business-like approach, not on the commonness and uniformity of ideology, is nothing but a castle on the sand. If a party allows the existence of different political views and if every person advocates his own principle, the party cannot guarantee the unity of action but gives counterrevolutionary elements a chance to swagger about.

Our party's unity and cohesion has been achieved through a hard struggle to model the whole party after the chuche idea. Due to the peculiarity of the development of the Communist movement in our country, once there existed in our party anti-party ideological elements such as factionalism, flunkeyism and dogmatism to hinder the party's unity. Factionalists raised their heads whenever our party was experiencing trials, in order to stage anti-party, counterrevolutionary manoeuvres. Our party, through an intense struggle to establish the monolithic ideological system in the whole party, eliminated the filth of factionalism which had continued unbroken for many years and newly-emerged anti-party revisionists so that it ensured the firm unity of the party. The unity and cohesion of our party could be most stable and powerful, because they were achieved by imbuing the whole party with one ideology on the basis of the leader's revolutionary idea.

We must steadily intensify the struggle to establish the party's monolithic ideological system in accordance with its consistent revolutionary line so that we model the party ranks after the chuche idea to the letter, resolutely defend the party's unity and cohesion with the respected Comrade Kim Il-song as the centre, and consolidate and develop them to a higher stage. We must continue to strengthen the education of cadres and party members in the party's monolithic ideology, so that they thoroughly establish the revolutionary view of chuche, the view of the leader, think and act in terms of the party's idea and purpose under any complicated situation, and wage an uncomprimising struggle against any tendency of encroaching upon the party's unity and cohesion.

In order to embody the leader's ideology and guidance and, on the basis of this, to cement the party's unity and cohesion, it is necessary to firmly adhere to the principle of democratic centralism in the building and activities of the party.

As an organisational principle of the party, democratic centralism is to ensure the uniformity of ideology and leadership in the building and activities of the party. Displaying democracy in the party is of great importance in giving free scope to the awareness and responsibility as well as creativeness of the masses of party members like a master. However, democracy must in all circumstances be realized on the basis of firmly guaranteeing the party members' unity of ideology, will and action. The essence of democracy within the party in true sense of the word finds expression in the fact that all members who form the party are encouraged to bring their revolutionary enthusiasm and creativity into full play to carry out the objectives set by the party more satisfactorily. If democracy is to be applied within the party as its essence requires, it must be linked with centralism. The intrinsic requirement of centralism is that it integrates the wishes of the broad masses of the party members into a single will so that the whole party thinks and acts in one mind and purpose. Just as centralism apart from democracy is unthinkable in the working-class party, so there can be no democracy apart from centralism. Democracy which runs counter to the party's ideology and leadership and pure democracy separated from the unified leadership of the centre are nothing but bourgeois democracy and liberalism.

We must hold fast to the principle of democratic centralism in the building and activities of the party and apply it in keeping with the present developments. We must, above all, establish an iron discipline in the party so that the whole party acts as one, and must also establish the revolutionary habits whereby the major principled issues arising in the building and activities of the party are reported and dealt with on time, and its decisions and instructions are accepted and implemented without reservation. All cadres and party members must strictly observe the established order and rules in the party, have a correct view of the party organization and take part in party life willingly. And, democracy must be fully displayed in the whole course of party work and life. All party members must be encouraged to advance their creative opinions in party meetings and to exercise their rights to the full. Party committees at all levels must observe the principle of collective leadership and must not tolerate individuals' subjectivity and arbitrariness.

If the party's unity and cohesion is to be consolidated and developed, we must inherit and develop the tradition of unity and cohesion in our revolution.

Our party's tradition of unity and cohesion was established by the young Communists and anti-Japanese revolutionary forerunners when the revolutionary cause of chuche was worked out under the leadership of the respected Comrade Kim Il-song. The revolutionary unity formed in the period of the anti-Japanese revolutionary struggle was the ideological, purposeful, moral unity and cohesion which were based on an unbreakable conviction that victory could be won in the revolution only when they had the great Comrade Kim Il-song as their leader, as the leader of the revolution, and fought, rallied closely behind him and based on the lofty communist obligation and warm comradeship with which to fulfill the duty of the revolutionary soldiers in any adversity. The noble tradition of unity and cohesion established in the days of anti-Japanese revolutionary struggle serves as an eternal cornerstone to consolidate and develop our party's unity and cohesion from generation to generation.

We must make party members and working people, particularly workers of new generations and young party members, clearly understand how our party's tradition of unity and cohesion was established and how precious it is, so that they can protect and maintain the tradition of unity from generation to generation, and that they can dedicate their all to the struggle to strengthen and develop the party's unity and cohesion, holding the party and the leader in high esteem as the anti-Japanese revolutionary forerunners did.

In order to consolidate the party, we must unite the broad masses around it and strengthen the blood ties between them unbreakably.

The party's invincibility is guaranteed by the fact that it strikes deep roots into the popular masses to become a complete whole. If the party enjoys full support and love from the masses and is in perfect harmony with them, it can carry out any difficult tasks creditably, not afraid of any enemy.

Strengthening the ties with the masses and uniting them around itself has been a very acute and important matter facing our party since its foundation. Our country was a colony of the imperialists for a long time, with the result that the people were profoundly influenced by the anti-communist propaganda on the part of the imperialists. And, after liberation the country was divided into the North and the South, and the imperialists and their stooges engaged in all sorts of splitting and destructive manoeuvres and in a reactionary offensive. Under these conditions our party set it as an important principle in party building to form a complete whole with the popular masses, and has made energetic efforts to unite around itself workers, peasants, working intellectuals and all the masses. In view of the very complex composition of the population which is due to Japanese colonial rule, the country's division and the three-year long war, our party put particularly great efforts into the work among the masses from all walks of life. While strengthening the work with the basic masses, our party steadily developed in depth the work with the masses whose family backgrounds and socio-political careers were problematic and worked hard to reeducate and rally all members of the society around the party.

We raised it as the fundamental principle of party activity to combine the party's leadership with the revolutionary mass line and have made every effort to realise the party's leadership in keeping with the wishes and will of the masses and to encourage the masses to support the party's leadership with all their hearts. "We serve the people!" is the slogan put up by our party so as to realise its leadership in proper combination with the revolutionary mass line. Regarding it as its highest duty to serve the people, our party has always proceeded from the position of thoroughly defending the people's interests and subordinated everything to this in the whole process of formulating and carrying out its lines and policies. Our party has positively educated its officials to adhere to the viewpoint that they are the servants of the people and to devote everything in their interests. Our party's spirit of selfless service for the people, its popular policies and its warm impartial care and consideration for all families and individuals have brought forth their unreserved faith in it and firmly knit the party and the masses in unbreakable ties. The people's great confidence in our party is manifested concentratively in their position and attitude towards its lines and policies. The watchword "We do what the party decides to do!" put up by our working people expresses the lofty fidelity of the masses who accept the party's lines and policies as their own vital requirements and implement them on the principle of absolute and unconditional devotion.

This great unity of the party that serves the people faithfully and the masses who uphold its leadership with loyalty, has enabled our party to crush promptly the counterrevolutionary moves of the imperialists and their stooges and the intrigues of the opportunists and the anti-party elements within the party in the past and to achieve continuous upswing in the revolution and construction work.

We must have the highest regard for the unity and cohesion of the party and the people, strengthen and develop it further and make the party as a powerful one rooted still deeper in the masses. We must strengthen the ideological education of the party members and working people, carry on work with the masses of all social sections unremittingly with persistence, and closely combine the party's leadership with the revolutionary mass line, so that all members of society are united more closely around the party and that the party and the masses form one body sharing their fate with each other for ever.

As in the past, so in future, too, we must pay the primary attention to the consolidation of the party and continue to strengthen and develop it into a revolutionary chuche-type party, thereby increasing its fighting power and ability of leadership to enable it to acquit itself of its revolutionary duty with credit.

3. The Party's Leadership Should Be Strengthened With the Main Stress on the Work With People.

To strengthen the party's leadership by putting the main stress on the work with people is the fundamental way of fulfilling its mission and duty as the leading political organization.

On the basis of the chuche idea which considers man the central factor in everything, our party put forward the new principle for the first time in the history of the building of the working-class parties that work with people is basic to party activities and has unceasingly strengthened the party's leadership.

As seen from the standpoint of the development of party work, the course of the building and activity of our party is the course of strengthening the party and leading the revolution and construction work through the work with people which was set as the first process. Under the guidance of the great leader Comrade Kim Il-song, the Korean communists built up the framework of the revolution and laid the organizational and ideological foundations of the party through the work with people from the early period of preparations for founding the party, led the anti-Japanese armed struggle to victory and attained the cause of national liberation honorably by rousing the broad masses. Operating as the government party from its inception after liberation, our party consolidated itself organizationally and ideologically and led the revolution and construction work to victory invariably through the work with people and, whenever it was confronted with a difficult situation and a heavy task, pushed forward the revolution by further strengthening the work with people.

We should convert party work into a complete work among people as required by the development of the party and revolution and thereby further increase the might of our party and steadily enhance its leadership role.

What is important in strengthening party leadership with the main emphasis on the work among people is, above all, to fulfil its duty as the mother party responsible for the destiny of the masses of the people.

It is our party's original principle of activity that the party should be the mother who responsibly looks after the destiny of the people.

The working-class party appeared to meet the requirements of the revolutionary struggle for hewing out the destiny of the people and makes it its basic mission to look after the destiny of the people with a sense or responsibility. The relations between the party and the masses are those between the leader and the led, between giver and receiver of life and between those who look after one's destiny and those who entrust it. The relations between the party and the people can be most firm and strong when the party values and takes the best care of the people as mother.

Our party has won the unreserved support and trust of the masses of people and steadily strengthened its leading position. It is because it has fulfilled its duty as the mother party responsible for the destiny of the people with credit. Our party made the masses of the people the genuine masters of the state and society, gave them valuable political integrity and led them to glorify it and took full responsibility for and looked after their material and cultural life. Our party paid primary attention to the people in all its activities and made all party activities the organizational and political work to make the people enjoy a worthwhile life and happiness as social beings. Thus it made itself the embrace of mother to whom the people entrust their destiny entirely.

We should continue to fill the essential requirements of our party and perform the duty of the mother party better.

If we are to carry our party work as the mother party, we should deem the people the most valuable and powerful beings and establish the chuche viewpoint of trusting and loving them from the bottom of our hearts.

The party's love for and trust in the people find expression mainly in shaping its lines and policies reflecting the will and demand of the broad sections of the people and in carrying them out by enlisting their creativity. Recalling the days of the anti-Japanese revolutionary struggle, the great leader Comrade Kim Il-song said that the masses are wise teachers who taught the truth of revolution. It is our party's traditional principle of activity and work to give prominence to the masses, deeming them teachers. We should always learn from the masses with an open mind, respect them and enlist their strength in solving all problems. We should further intensify work among people and thus make all party lines and policies their independent and popular ones completely, fully reflecting their desire and will and give full play to their creativity and execute them better.

The mother party's love and trust also find expression in taking full responsibility for and care of the socio-political life and material and cultural life of the people. The most important thing for social man is political life and political integrity. We should pay primary attention to the question of political integrity of the party members and the working people in party work, work among people, value and take care of their political integrity as the mother does the life of her sons and daughters and lead the people so that they glorify their political integrity to the end without the slightest slur on it. We should also pay keen attention to the material and cultural life of the people and devotedly fight to provide them with more affluent and cultured life.

Love of the people and trust in them find concrete expression in the popular traits and character of functionaries. We should see to it that all the functionaries devotedly fight for the people, sharing life and death with them, and that they have the popular character of being simple, modest, fair and upright.

Implementing the party and political method is also important in strengthening party leadership with main emphasis on the work among people.

The party of the working class in socialist society holds power as the ruling party, but it cannot administer the affairs of state in accordance with the will of the people, having recourse to power. In the socialist society the masses of the people seize power and so, giving orders to them in a bureaucratic and administrative way, drawing on power runs counter to the nature of socialist power. A bureaucratic and administrative method of work is very harmful to the socialist society where the party and the state bear full responsibility for the lives and living of the people. If the party tolerates this method of work, it forfeits the support and confidence of the people and endangers its existence. So, our party always stresses that domineering and practising bureaucracy over the people is little less than taking a poisonous drug. Of course, it is not admissable that in the socialist society, on the excuse of opposing the bureaucratic and administrative method of work, a party resigns the leadership of a ruling party and weakens the state power. In the socialist society, a bureaucratic and administrative method of work is attributable to the fact that the party does not give guidance and the organs of people's power do not conduct work in keeping with their intrinsic nature. The party should give its guidance in keeping with a political way of leadership of a working-class party while continually strengthening its leading position and the organs of people's power should work to meet the intrinsic requirements of socialism.

Our party regarded it as a fundamental matter in party building and party activities to establish the method of party work suited to the nature of the party of a chuche type and strove energetically to apply the political method to party work from the first days of its foundation. Our party created the Chongsanri spirit and the Chongsanri method by applying the traditional anti-Japanese guerrilla work method to meet the practical demand of socialist construction and applied them throughout the whole party. By doing so, it put an end to the bureaucratic and administrative method of work which was smuggled over into the party by the anti-party, counter-revolutionary factionalist elements and established the revolutionary method of work, the party and political work method, with emphasis on the organizational and political work with men. We should grasp the demands of revolution as it developed and meet the needs of the situation in which the workers of new generation that have not been trained in the arduous struggle continuously increase, and strive without letup to apply the party and political work method.

The party and political work method means giving priority to political work and rousing people to activity by informing them of the intention of the party through explanation and pursuation. With the method of giving orders and directions, one cannot arouse people to action. We should strongly oppose those who are disposed to rouse people to activity by orders and directions and keep political work ahead of other things and effectively pursuade and educate people until they sincerely accept the intention of the party and are activated. Moreover, upholding the slogan "let the whole party go among the masses!" Officials must always go among the masses to share their joys and sorrows while educating and arousing them to action, and, at the same time, learn from them and improve ourselves.

To establish the party and political method, it is necessary to step up the struggle to put an end to the obsolete method of work. It is because the officials retain the ideological hangovers from the exploiting society that the old work method finds its expression in the socialist society. We should intensify educational work to equip officials with the theory and method of leadership of chuche and vigorously step up an ideological struggle to eradicate the old method and style of work in order to establish a revolutionary method of work more firmly, a party and political method in the party.

In order to improve the leadership of the party attaching primary importance to work with people, it is also necessary to establish firmly the system of party work.

The more efficient inner-party work system should be established before anything else.

The well-regulated system of work with cadres, party members and masses has already been established in our party and its vitality has been confirmed in the long course of practical struggle. To meet the needs of the actual situation that is developing, we should develop in depth the inner-party work system and fully turn party work into the work among people.

It is necessary to firmly establish the system under which the whole party conducts work among people. This system is a system of work under which one person educates and rouses ten to activity, ten persons a hundred, a hundred persons a thousand and a thousand persons ten thousand. All officials, whether of the party or of an administrative body, whether of an upper organ or of a lower organ, whether cadres or ordinary party members, should regard the work with people as an important revolutionary task and conduct it actively. By firmly establishing a work system under which superiors educate their subordinates responsibly and cadres and party members go among the masses and educate them, we must ensure that all officials and party members become the objects of the work with people and, at the same time, conduct this work.

The party's leadership system should be established properly so as to guide the revolution and construction work with the main stress on the work with people. Our party has established a work system where party committees at all levels give guidance in all activities as the highest leadership bodies at the given units, thereby ensuring the political and unified leadership of the party in the revolution and construction and, at the same time, harnessing the masses' creative power to the maximum through the work with people. In future, we should consolidate and develop the party's leadership system where all matters are settled through political work, work with people, under the collective leadership of the party committee. We should firmly establish a system and an order so that party committees at all levels have unified control of the activities of the given state, economic and cultural establishments and social organizations, guide them by political methods and that the officials in all branches of activity conduct their work with preference given to political work, the work with people, by firmly relying on the party committees.

In particular, it is important to strengthen the system of party, political leadership over economic affairs. Socialist economic construction can only be carried on properly under the leadership of the working-class party. We should firmly defend a system of the party's political guidance in economic construction and further strengthen it to develop the socialist economy in keeping with the political task of revolution and the nature of socialism. If we are to strengthen the party's political leadership of economic activities, we should thoroughly introduce the Taean work system established by our party. The Taean work system is a system for managing the economy on the principle of giving priority to political work, namely, work with people, under the collective leadership of party committees.

The party committees at all levels should be expert at piloting economic activities as required by the Taean work system and all the officials manage the economy giving priority to work with people in accordance with directions discussed and decided at the party committees.

We should strengthen and develop our party steadily and achieve greater victories in socialist construction by converting definitely party work into work with people and realizing, through this work, the party leadership of the revolution and construction.

Today our party which is marking the 45th birthday is organizationally and ideologically united more firmly than ever before and is vigorously advancing along the road indicated by the great chuche idea, confident of the justness of its cause and victory. The great leader Comrade Kim Il-song, who has wisely guided the whole course of our party building for 60 years up to this day when it has strengthened and developed into an ever-victorious revolutionary party since the first party organization of the chuche type was formed in the flames of the anti-Japanese revolutionary struggle, is organizing and leading all the party members and non-party people along the road of victory at the helm of the party as ever, and the revolutionary zeal of our people who follow the party and support its leadership is higher than ever before. Our people see their bright future in the leadership of the Workers' Party of Korea and are confident that they are sure to accomplish the revolutionary cause of chuche since they are led by the party.

Only victory and glory are in store for our party which is leading the revolution and construction, holding high the banner of the chuche idea under the wise guidance of the great leader Comrade Kim Il-song and enjoying the unreserved support and confidence of the popular masses.

KCNA Publicizes Kim Chong-il Article 4 Oct

Party Leadership Declared Vital

SK0510003590 Pyongyang KCNA in English 1608 GMT 4 Oct 90

[Text] Pyongyang October 4 (KCNA)—Party's leadership is vital to the socialist cause, says Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, [WPK] in the treatise "The Workers' Party of Korea Is the Organizer and Guider of all Victories for our People" published on the occasion of the 45th anniversary of the founding of the WPK.

Party leadership is the decisive guarantee of strengthening the driving force of the socialist cause and increasing its role, the treatise says, and continues:

Under the guidance of our party led by respected Comrade Kim Il-song our people have become the independent driving force which advances society and revolution dynamically as the genuine masters of its destiny.

Today the Workers' Party of Korea stands firmly in the centre of the revolutionary ranks in our country, and the masses of the people, who have surmounted all manner of ordeals sharing their destiny with the party in the long revolutionary struggle, are united rock-firm behind the party and the leader with one mind and one will.

Our people are displaying an inexhaustible creativity in socialist construction under the party's leadership.

The creativity of our people is displayed to the full in socialist construction. This reality clearly shows that the slander of the imperialists that party leadership restricts the creativity of people is a counterrevolutionary sophistry to whip up bourgeois liberalization and undermine socialism.

Party leadership is the fundamental condition for advancing the socialist cause in accordance with correct struggle strategy and tactics.

The strategic and tactical leadership of the socialist cause can only be given by the working-class party that can show correct ways to develop society and revolution and can organize and mobilize the broad masses. The position and role of the party as the general staff of the revolution which proposes the correct strategy and tactics of socialist construction and organizes and leads the struggle to implement them cannot be taken by any other organizations or bodies. Of all organizations and bodies including state power organs in socialist society the working-class party alone has emerged with the mission to give political strategic and tactical leadership to the society and revolution, and it alone is capable of fulfilling this mission.

Adherence to Socialist Cause Urged

SK0510002790 Pyongyang KCNA in English 1615 GMT 4 Oct 90

[Text] Pyongyang October 4 (KCNA)—In his treatise "The Workers' Party of Korea Is the Organizer and Guider of all Victories for our People," Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, laid stress on the need to adhere to the revolutionary principle in carrying forward the socialist cause.

Adherence to the revolutionary principle in the building of socialism means safeguarding and meeting the fundamental demand of the working class and masses for independence and their interests to the end, he noted, and said:

The history of the revolutionary struggle shows that when the revolutionary principle is firmly maintained, the socialist cause will progress in face of any difficulty and ordeal, but that when it is given up the socialist cause will deteriorate and bog down halfway.

If the socialist cause is to be completed to the end, one must always stick to the revolutionary principle of defending and materializing the independence of the masses.

The revolutionary principle of the working-class party in socialist construction is mainly expressed in its approach to the imperialists' anti-socialist manoeuvres. The imperialists' counterrevolutionary moves to hamper and destroy the socialist cause can be successfully frustrated only by the principled struggle of the working-class party. The fact shows that the counterrevolutionary offensive of the imperialists does not work where the party adheres to the revolutionary principle and that socialism falls sick where the party steps back from and forsakes its principle.

Thanks to the guidance of our party which has consistently and resolutely adhered to the revolutionary principle in the whole course of the revolutionary struggle, our people could advance dynamically along the road of revolution under the banner of socialism even under the unprecedentedly complex and acute situation caused by the US-led imperialists' concentrated offensive. Thanks to our party's principled struggle, all sorts of the imperialists' sabotage and wrecking activities have been thoroughly frustrated in our country and the socialist cause firmly safeguarded. Even under the present situation in which the unexpected complicated events have taken place within the communist movement, our revolution has been maintaining a clean slate without the slightest wavering.

Revolutionary Nature Stressed

SK0510002190 Pyongyang KCNA in English 1622 GMT 4 Oct 90

[Text] Pyongyang October 4 (KCNA)—Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea [WPK], in his treatise "The Workers' Party of Korea Is the Organizer and Guider of all Victories for our People" published on the occasion of the 45th anniversary of the WPK founding, lays emphasis on upholding revolutionary character of the party.

Noting that defending this character is a crucial matter which will affect the existence of the party and the destiny of the revolution, Comrade Kim Chong-il has this to say:

In the course of the development of revolution, there may be a change in the duty of the party, its strategy and tactics, and its methods of struggle. But there should be no change in the party's revolutionary character. If there is a change in the character of the party, it will lose its original nature and turn into an alien one. In the long run, it will fail to carry out the functions of leading the revolution.

If we are to invariably maintain this character, we should firmly safeguard the party's guiding idea and inherit it in perfect purity. If the revolutionary principle was forsaken and heterogeneous ideological trends are adopted because the guiding idea of the party does not accord with the changed circumstances and conditions, the party would be swayed to the road of revisionism.

He continues:

Our party has carved out the absolutely correct road in the building of the revolutionary party in the era of independence. When others were experiencing setbacks, our party has been able to uphold the revolutionary banner without the slightest vacillation. This is because party-building and party activities have been carried out, guided by the chuche idea.

In order to maintain the revolutionary character of the party, we must strengthen its social and class foundation still further, he says, adding:

As socialist construction advances, the socio-class basis of the party grows in scope and strength. As a rule, as society develops the number of people engaged in physical labour decreases and intellectuals, people engaged in technical and mental labour, increase in the composition of population. But this does not mean that the socio-class basis of the working-class party weakens. In their socio-economic position those engaged in technical and mental labour are essentially in common with those engaged in physical labour. It is a law that as socialist construction progresses the socio-economic position of all members of society including intellectuals becomes that of the working class. It goes without saying that if the party slights ideological work in socialist society bourgeois ideology spreads among the members of society and the socio-class basis of the party weakens. The solidity of the socio-class basis of the working-class party is guaranteed by the high political and ideological standards of the masses and, accordingly, it depends on how the party does its work among the masses.

Party Unity, Cohesion Stressed

SK0510001790 Pyongyang KCNA in English 1631 GMT 4 Oct 90

[Text] Pyongyang October 4 (KCNA)—Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, stresses the unity and cohesion of our party in his new treatise "The Workers' Party of Korea Is the Organizer and Guider of all Victories for our People."

Noting that our party has made the greatest efforts to strengthen the organizational and ideological unity and cohesion of the party ranks on the chuche principle of party building, and has achieved a signal victory in this process, he says: We can say with confidence that our party has achieved the strongest, most vital unity and cohesion which no force can break and which can overcome any trials.

The unity and cohesion of our party means a single-hearted unity which the whole party is united around the leader on the basis of one ideology, the chuche idea.

The unity and cohesion of our party could be most stable and powerful, because they were achieved by imbuing the whole party with one ideology on the basis of the leader's revolutionary idea.

Party Leadership Underscored

SK0510000790 Pyongyang KCNA in English 1634 GMT 5 Oct 90

[Text] Pyongyang October 4 (KCNA)—In his new treatise "The Workers' Party of Korea Is the Organizer and Guider of all Victories for our People" Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, pointed out that party leadership should be strengthened with the main emphasis on the work among people. He said: The party of the working class in socialist society holds power as the ruling party, but it cannot administer the affairs of state in accordance with the will of the people, having recourse to power. In the socialist society the masses of the people seize power and so, giving orders to them in a bureaucratic and administrative way, drawing on power runs counter to the nature of socialist power. If the party tolerates this method of work, it forfeits the support and confidence of the people and endangers its existence.

Of course, it is not admissable that in the socialist society, on the excuse of opposing the bureaucratic and administrative method of work, a party resigns the leadership of a ruling party and weakens the state power. In the socialist society, a bureaucratic and administrative method of work is attributable to the fact that the party does not give guidance and the organs of people's power do not conduct work in keeping with their intrinsic nature. The party should give its guidance in keeping with a political way of leadership of a working-class party while continually strengthening its leading position and the organs of people's power should work to meet the intrinsic requirements of socialism.

Democratic Centralism Necessary

SK0410235790 Pyongyang KCNA in English 1639 GMT 4 Oct 90

[Text] Pyongyang October 4 (KCNA)—Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, in his treatise "The Workers' Party of Korea Is the Organizer and Guider of all Victories for our People", said that in order to embody the leader's ideology and guidance and, on the basis of this, to cement the party's unity and cohesion, it is necessary to firmly adhere to the principle of democratic centralism in the building and activities of the party.

He said:

As an organisational principle of the party, democratic centralism is to ensure the uniformity of ideology and leadership in the building and activities of the party. Displaying democracy in the party is of great importance in giving free scope to the awareness and responsibility as well as creativeness of the masses of party members like a master. However, democracy must in all circumstances be realized on the basis of firmly guaranteeing the party members' unity of ideology, will and action. The essence of democracy within the party in true sense of the word finds expression in the fact that all members who form the party are encouraged to bring their revolutionary enthusiasm and creativity into full play to carry out the objectives set by the party more satisfactorily. If democracy is to be applied within the party as its essence requires, it must be linked with centralism. The intrinsic requirement of centralism is that it integrates the wishes of the broad masses of the party members into a single will so that the whole party thinks and acts in one mind and purpose. Just as centralism apart from democracy is unthinkable in the working-class party, so there can be no democracy apart from centralism. Democracy which runs counter to the party's ideology and leadership and pure democracy separated from the unified leadership of the centre are nothing but bourgeois democracy and liberalism.

We must hold fast to the principle of democratic centralism in the building and activities of the party and apply it in keeping with the present development.

WPK, Masses Relations Viewed

SK0410235590 Pyongyang KCNA in English 1645 GMT 4 Oct 90

[Text] Pyongyang October 4 (KCNA)—In order to consolidate the party, we must unite the broad masses around it and strengthen the ties between them unbreakably, stressed Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, in his treatise "The Workers' Party of Korea Is the Organizer and Guider of all Victories for our People".

He said:

The party's invincibility is guaranteed by the fact that it strikes deep roots into the popular masses to become a complete whole. If the party enjoys full support and love from the masses and is in perfect harmony with them, it can carry out any difficult tasks creditably, not afraid of any enemy.

We raised it as the fundamental principle of party activity to combine the party's leadership with the revolutionary mass line and have made every effort to realise the party's leadership in keeping with the wishes and will of the masses and to encourage the masses to support the party's leadership with all their hearts. "We serve the people!" is the slogan put up by our party so as to realise its leadership in proper combination with the revolutionary mass line. Regarding it as its highest duty to serve the people, our party has always proceeded from the position of thoroughly defending the people's interests and subordinated everything to this in the whole process of formulating and carrying out its lines and policies.

This great unity of the party that serves the people faithfully and the masses who uphold its leadership with loyalty, has enabled our party to crush promptly the counterrevolutionary moves of the imperialists and their stooges and the intrigues of the opportunists and the anti-party elements within the party in the past and to achieve continuous upswing in the revolution and construction work.

We must have the highest regard for the unity and cohesion of the party and the people, strengthen and develop it further and make the party as a powerful one rooted still deeper in the masses. We must strengthen the ideological education of the party members and working people, carry on work with the masses of all social sections unremitingly with persistence, and closely combine the party's leadership with the revolutionary mass line, so that all members of society are united more closely around the party and that the party and the masses form one body sharing their fate with each other for ever.

As in the past, so in the future, too, we must pay the primary attention to the consolidation of the party and continue to strengthen and develop it into a revolutionary chuche-type party, thereby increasing its fighting power and ability of leadership to enable it to acquit itself of its revolutionary duty with credit.

Art Show Marking Party's Anniversary Opens

SK0510110690 Pyongyang KCNA in English 1048 GMT 5 Oct 90

[Text] Pyongyang October 5 (KCNA)—A state art show marking the 45th founding anniversary of the Workers' Party of Korea opened at the Pyongyang International Cinema House on October 4.

On display at the art show are more than 700 pieces of excellent fine art works of various kinds created by artists in the central and local areas through the application of the party's unique literary and art policy of building and developing a chuche-inspired national fine art. Among them are Korean paintings, oil paintings, graphic paintings, handiworks, sculptures.

They include art pieces representing the greatness, wise leadership and noble communist virtues of the great leader President Kim Il-song who founded the party and has constantly strengthened and developed it into a powerful weapon of the revolution and construction, into the guiding force for the building of socialism and communism and thus led the efforts for the building of a new country, the democratic revolution, the Fatherland Liberation War, postwar rehabilitation and construction and socialist construction to shining victories, and of dear Comrade Kim Chong-il and Comrade Kim Chong-suk, an indomitable communist revolutionary fighter.

Also exhibited there are works on the theme of the party's glorious revolutionary traditions, works on the Korean people's efforts to forcefully accelerate the building of socialism and communism under the leadership of the party, works on the Korean people's happy life under the most superior socialist system and works on the theme of national reunification.

The opening ceremony of the art show was addressed by Chang Chol, vice-premier of the Administration Council.

New Songs Commemorating WPK Written

SK0510113090 Pyongyang KCNA in English 1057 GMT 5 Oct 90

[Text] Pyongyang October 5 (KCNA)—New songs lauding the Workers' Party of Korea [WPK] have been created and widely disseminated in Korea on the occasion of its 45th founding anniversary. They include "The Party's Embrace Is the Best," "Glory on the Road of Following the Party's Leadership" and "Only Under Its Loving Care."

These songs reflect the wise leadership of the WPK which leads the Korean people always to victory and glory and the pure ideological sentiments of the people who uphold its leadership with loyalty.

Many songs praising the WPK have been created in the past.

"Glory to the Workers' Party of Korea," a collection of songs, contains 100 songs about the party. Several anthologies of the kind have been published.

The WPK which began to strike its roots from the Down-With-Imperialism Union (DIU) formed on October 17, 1926, and proclaimed its founding to the world on October 10, 1945, has performed exploits that will shine through ages in the long course of its struggle.

Taking the chuche idea founded by the great leader President Kim Il-song as its guideline, it follows its unique line and policies and clearly indicates the road of socialist construction.

This is reflected in "Along the Road Indicated by the Party," a song which begins with the line that the party shows the road ahead of us like the sun shining over this land, and other songs "The Workers' Party of Korea Is our Guiding Force" and "The Ever-Victorious WPK."

The WPK is called the mother party as it bears full responsibility for the destiny of the working masses and provides them with a worthy, meaningful life.

The Korean people's warm feelings toward the mother party and their trust in the party are sung in "The Party Is my Mother," "The Party Has the Looks of the Mother," "I Think" and "We Cannot Live Apart From the Party."

Whenever they sing about the party they look up to the image of dear Comrade Kim Chong-il who is leading the WPK to victory.

Party Anniversary Marked by National Symposium

SK0510112990 Pyongyang KCNA in English 1005 GMT 5 Oct 90

[Text] Pyongyang October 5 (KCNA)—A national symposium was held at the People's Palace of Culture Thursday to celebrate the 45th anniversary of the founding of the Workers' Party of Korea (WPK).

Present there were Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice-president, and Choe Tae-pok, alternate member of the Political Bureau and secretary of the WPK Central Committee, and others.

Prof. U Tal-ho, vice-rector of Kim Il-song Higher Party School, and other officials of party cadres training centres, science, education and the press made speeches on the subjects "the WPK is a great guider which leads to straight victory the cause of independence of popular masses, the cause of socialism under the banner of chuche", "the WPK is a revolutionary party of chuche type which is conducting revolutionary activities independently and creatively with the chuche idea as guideline," "idea and theory on party building of chuche are most correct guideline of working-class party building in our era," "the WPK is an invincible party which has steadfastly realised single-hearted unity of the party and masses around the leader," "the WPK is an ever-victorious political staff with outstanding, tested and matchless leadership ability," "the WPK is a promising party which has firmly realised the uniformity of idea and leadership and brilliantly carried it forward down through generations" and "it is a rock firm will of our people to accomplish to the end the cause of chuche, holding high the socialist banner under the leadership of the great party".

The speakers said that after its foundation the WPK has consistently consolidated its organisational and ideological foundation with the great chuche idea as the unique guiding compass, so that it has strengthened and developed into a revolutionary party of chuche type which is conducting revolutionary activities independently and creatively, without wavering in any storms, an invincible party which has steadfastly realised the single-hearted unity of the party and the masses with the leader as the unique centre and a promising party which is brilliantly carrying forward the uniformity of idea and leadership down through generations.

Our party enjoys the absolute trust by the entire people as an ever-victorious political staff with outstanding and tested leadership ability and is shining its honor as a dignified party which is leading to a straight victory the cause of independence of the popular masses, the cause of socialism under the banner of chuche, they stressed.

* Coop Farms' Conversion Into State Farms Urged

902C0298 Pyongyang KYONGJE YONGU in Korean Feb 90 pp 10-13

[Article by Yi Chol-pok: "Conversion of Cooperative Ownership Into Ownership by All the People Is an Inevitable Requirement for the Elimination of Class Distinctions and for the Development of Socialist Society Based on Collectivism"—KYONGJE YONGU is a publication of the DPRK Academy of Social Sciences]

[Text] To establish monolithic control [yuiljok chibae] by ownership by all the people [chon inminjok soyu] through conversion of cooperative ownership into ownership by all the people is one of the basic problems in achieving the complete victory of socialism.

That the conversion of cooperative ownership into ownership by all the people is one of the basic problems in achieving the complete victory of socialism is, first of all, because such conversion is directly related to the problem of eliminating class distinctions in socialist society and also reflects the demand for development of socialist society based on collectivism.

When cooperative ownership is converted to ownership by all the people, the fundamental economic factors determining class distinctions will be eliminated, forging the whole society into a single class. When ownership conversion takes place, the collectivist principle of life will also be fully implemented in all aspects of social life.

That the conversion of ownership is one of the basic problems in achieving the complete victory of socialism is, first of all, because it is an important work of social remolding designed to solve the historic task of eliminating all classes once and for all.

The existence of various classes even after the seizure of power by the working class is related to the existence of diverse forms of ownership in the means of production; and the two classes, the working class and the peasantry, exist even after the establishment of the socialist system because ownership of the means of production is divided into two forms, ownership by all the people and cooperative ownership. This means that the existence of classes and diversification of ownership relations are inseparably interrelated, and that it is impossible to accomplish the elimination of all classes if diverse forms of ownership are left intact.

The great leader Comrade Kim Il-song taught as follows: "Relations of ownership in the means of production is a basic determinant of classes. Two classes, the working class and the peasantry, exist in the socialist society because there are two forms of socialist ownership, namely, ownership by all the people and cooperative ownership. Only when the means of production come under the monolithic control of single ownership by all the people through conversion of cooperative ownership into ownership by all the people, will the working classification of the peasants, and accordingly, the elimination of the class distinction between the working class and the peasantry, be made possible." ("Kim Il-song's Selected Works," Vol 9, p 477)

That to establish the monolithic control of single ownership by all the people through conversion of cooperative ownership into ownership by all the people is an essential requirement and a basic condition for eliminating the class distinction between the working class and the peasantry, is because, in a nutshell, relations of ownership are a basic determinant of classes.

Relations of ownership is, first of all, is a basic factor determining the emergence of classes.

Generally, by the "class" are meant social collectives each of which has a different position, role, and interest in socioeconomic life from the other, the distinctions between which are caused by relations of ownership in the means of production.

Different classes are formed depending on different socioeconomic factors, but the determining factor among them is relations of ownership in the means of production. Class came into being as private ownership of the means of production appeared and as there was a differentiation of ownership; and in all societies with differentiated relations of ownership, there are bound to be classes corresponding to the existing relations of ownership. In a society where relations of ownership in the means of production are not differentiated, people are not stratified into classes.

The basic reason that the differentiation of ownership relations is the basic factor determining conditions for the emergence of class is related to the important role played by the means of production in the socioeconomic life of the people.

The means of production constitute a basic means of survival for people. The means of production are an essential factor of production as a material wherewithal in their productive activities. Therefore, without the means of production people can neither carry out productive activities nor ensure their socialist existence.

As society develops and as the ability of people to conquer nature increases, the significance and role of the means of production grow.

Thus, inasmuch as the means of production are the basic means of survival for people, differences appear in the positions and roles of people in the system of social production and in the organization of work, as well as in the forms of distribution and the shares of products, and people enter into relations as exploiters and the exploited, depending on where they stand in the relations of ownership in the means of production. As a result, through relations of ownership in the means of production, people are stratified into the exploited and exploiting classes, the subjugated and ruling classes, depending on where they stand in the relations of ownership in the means of production. This means that relations of ownership of the means of production are the basic factor determining conditions for the emergence of class.

Relations of ownership of the means of production are also the basic factor determining the class distinction between the working class and the peasantry in socialist society.

Class, inasmuch as it is a natural product in a specific developmental stage of history, is not something that will last forever.

The socialist revolution marks an important point of transition in the revolutionary struggle for the elimination of classes. As the exploiting class is liquidated as a class by the socialist revolution, class conflict, the root cause of all social misfortunes, is eliminated. However, even after the socialist system is established, the working class and the peasantry will remain. Accordingly, in the final resort, the question of eliminating all classes in socialist society is one of eliminating the class distinction between the working class and the peasantry by resolving the agrarian question, and only when this question is solved will it be possible ultimately to fulfill the historic task of eliminating all classes and build a classless society.

It is because the class distinction between the working class and the peasantry remains in socialist society that various differences and social relations out of character with the working class partially exist. Therefore, in order to win the complete victory of socialism, it is necessary to eliminate this class distinction, and to this end, cooperative ownership should necessarily be converted to ownership by all the people.

That cooperative ownership, a form of ownership at a low level of socialization, exists side by side with ownership by all the people or state ownership is related to the ideological, technological, and cultural backwardness of the rural community compared with the urban community. The backwardness of villages compared with cities is manifested in the fact that the material and technological foundations of agriculture are weaker than those of industry, that the cultural standard of the rural inhabitants is lower than that of the urban inhabitants, and that the farmers are behind the workers in the level of ideological consciousness. Because of this backwardness of the rural areas in the ideological, technological, and cultural domains compared with the urban areas, cooperative ownership becomes the dominant form of ownership unlike in industry, in which ownership by all the people is dominant.

Inasmuch as the class distinction between the working class and the peasantry is based on the distinction between ownership by all the people and cooperative ownership, the distinction in the form of ownership should necessarily be eliminated in order to fulfill the historic task for the extinction of class. When single ownership relations is achieved and ownership by all of the people prevails in society, the foundation to achieve a classless society and also a complete victory of socialism will be accomplished.

Another reason ownership conversion is one of the basic problems in achieving the complete victory of socialism is that such conversion is an inevitable requirement for the development of the socialist society based on collectivism.

The great leader Comrade Kim Il-song taught as follows: "Socialism is a society based on collectivism, and cooperative ownership and ownership by all the people are both socialist ownership lying at the economic foundation of our society. Collectivism demands that all social relations such as ownership relations ceaselessly develop in conformity with the common interests of the whole society." ("Kim Il-song's Selected Works," Vol 9, p 477)

Socialism is a society based on collectivism. If all societies of the exploiting class are based on individualism and egoism, socialism is a new society based on collectivism. Having its base in collectivism is where lie socialism's superiority and might.

Collectivism is the thought, moral, and way of life and activity of the working class by which people struggle always giving the first priority to the development and prosperity of the collective on the basis of the collectivist view of life. Collectivism, along with loyalty to the party and the leader, the revolutionary ethos, organizational spirit, and disciplinary character, is one of the most basic and unique traits of the working class. The working class struggles giving its all to promote the interests of the collective, valuing them more than their personal interests.

Collectivism has its origin in the intrinsic social nature of socialism and communism. The working class' cause of communist construction is in essence a struggle to completely realize the independent stand and attitude of the whole masses of people and a formidable task which can be accomplished only by the united efforts of the whole masses of people.

For this reason, the working class regards unity and solidarity as the most powerful weapon of struggle in its struggle to build a new society as well as in its struggle to cut the iron chains of capital.

To say that socialism is a society based on collectivism is to say that socialist society is maintained and develops in accordance with the principle of collectivism. This is to say that the principle of collectivism determines the ways of thinking and behaving of the people and the organization and working of society.

Inasmuch as socialism is the society of the working class, that is, a society where the ideals and desires of the working class have been fulfilled, it is inevitable that in socialist society, all aspects of society constantly develop with an eye toward better implementing collectivism.

Communism is the ideal society of mankind in which the communist, that is, collectivist principle of life that "one for all, all for one," materializes to the fullest extent. In order to successfully build communist society of that nature, collectivism needs to become completely dominant on the societywide scale.

Collectivism demands that as socialist and communist construction proceeds, all social relations such as ownership relations constantly develop to suit the demands of the societywide common interests.

Ownership conversion is an inevitable requirement for the development of socialist society based on collectivism because collectivism necessarily demands ownership conversion and because collectivism can materialize in a more satisfactory manner only on the basis of ownership conversion.

Collectivism demands above all that cooperative ownership be converted to ownership by all the people. This demand is related to the fact that the relations of ownership in the means of production are the basis of all social relations and the level of socialization of ownership in the means of production has an important bearing on the implementation of collectivism.

Cooperative ownership and ownership by all the people are the two forms of ownership which constitute the economic foundation of socialist society. Socialist ownership of the means of production is the socioeconomic basis which makes collectivism operate as the way of activity and life in socialist society.

Socialism enables all workers to become the masters who jointly own and use the means of production for the first time in history. As a consequence, socialism organically combines the interests and activities of all workers and makes collectivism dominant in society.

All ideas and morals are always closely related to the specific material interests of people and the relations of ownership in the means of production.

In the society of the exploiting class, private ownership of the means of production causes a division in the demands and interests of people and make social relations antagonistic.

Only the communists can come up with the proposition that the whole society be dominated by but one thought and but one way of life, and this proposition is possible of materialization only when the means of production come under social ownership. Collectivism will not become the dominant thought and way of life in the whole society until the socialist system appears in which the exploiting class has been eliminated and the masses of people have become the masters of the government and the means of production.

To say that socialist ownership of the means of production combines the interests of all members of society into one is not to say that the two forms of ownership are in an equal position in realizing collectivism. Whether collectivism operates on a societywide scale or it operates only in specific production units or specific aspects of life is determined by the level of socialization of ownership.

Ownership by all the people and cooperative ownership are not differentiated because they are both a form of joint ownership and constitute the economic foundations of the state and society. Accordingly, the interests of the working class and the peasantry tied to these two forms of ownership are basically identical. However, the working class represents ownership by all the people, namely, the more advanced form of socialist ownership, and it is the leading class in relation to the peasantry. It follows that cooperative ownership, shares the same role with ownership by all the people in fulfilling the class-oriented demands of the working class, the leading class. Because of the identity of mission, the two forms of ownership exemplify the common interests and demands of the whole society.

However, cooperative ownership is bound to exhibit its limitations in realizing collectivism partly because it is at a low level of socialization of ownership and partly because the ideological level of the farmers is still low.

In the case of cooperative ownership, the ownership of the means of production is socialized with each cooperative economy as a unit and the process of socialization takes place in the relatively small-scale production units and living units of the cooperative peasants. Cooperative peasants engaged in their productive activities and conduct their daily lives in the economy which is divided into ownership units. In cooperative ownership, the products also are disposed of basically within the cooperative economy and utilized to develop the joint economy and increase the individual income of the cooperative farmers. Because of the peculiarity of cooperative ownership which is at a lower level of socialization than ownership by all the people, cooperative farmers are naturally concerned about their cash income and income in kind generated by the cooperative economy, although they are also socialist workers struggling to build socialism and communism side by side with the working class. Cooperative farmers have private sidelines and there are farmers' markets. Under this actual condition, they have links to these markets.

Compared with the working class, the farmers' level of ideological consciousness and their cultural and technological standards are low, and their revolutionary spirit and organizational character are weak. The material and technological foundations of agriculture are also at a low level compared with those of industry.

Needless to say, agricultural cooperativization has opened up a broad path to remolding the ideological consciousness of the farmers and increasing agricultural productivity. But because the farmers had long been petty owners, the individualistic and egoistic thought remains in their minds for a relatively extended period of time even after the socialist system is established. When the level of socialization of ownership is low and the farmers' level of ideological consciousness is not high, it is bound to pose an obstacle to realizing collectivism on a societywide scale.

Collectivism can be realized more satisfactorily only on the basis of ownership by all the people.

When cooperative ownership is converted to ownership by all the people, all workers will be brought together in the economy under ownership by all the people as equal masters of the means of production and work and live in it.

Monolithic control by ownership by all the people makes the common interests of the whole society directly square with the interests of the workers. This will create a more favorable condition for eliminating the dregs of the old ideas lurking in the minds of the farmers.

When the conversion of cooperative ownership into ownership by all the people is achieved, the farmers will be turned into the working class and the whole society into the working class. When the whole society is turned into the working class, all members of society, including the farmers of bygone days, will come to give full play to the spirit of collectivism. When all workers are brought together through ownership conversion and work in the unitary state-run economy under ownership by all the people, when the cooperative farmers turn into the working class holding the principle of collectivism as their inherent class nature, the communist collectivist principle of life will materialize comprehensively in all aspects of social life.

Collectivism has immense superiority in developing agricultural productivity to suit the demands for the development of socialist society.

Collectivism enables people to display infinite devotion and mass heroism for the development and prosperity of the collective. Inasmuch as the socialist rural economic system is based on collectivism, it can develop agricultural productivity at a faster pace when collectivism is better implemented as it should be to suit the demands for the development of socialism.

The private peasant economies scattered around on a small scale are not able to develop agricultural productivity at a fast pace due to their own limitations.

All this signifies that to hand over cooperative ownership to ownership by all the people and create a single collective economy under ownership by all the people, namely, a state-operated economy, is the inevitable demand for the extinction of class distinctions and the development of society based on collectivism.

The thought on converting cooperative ownership to ownership by all the people as elucidated by the great leader Comrade Kim Il-song and the dear Comrade Kim Chong-il is a unique thought which has clarified the question of ownership conversion in greater dept and breadth from the point of view of implementing more satisfactorily the principle of collectivism, the foundation of socialist and communist social relations, as well as from the point of view of the inevitability of the overall development of socialist economic management.

The chuche-based economic thought which has fully elucidated the inevitable process of conversion of cooperative ownership to ownership by all the people provides a new scientific answer to important socialist political economic questions.

The question of ownership relations can neither be a matter of economic technicality or nor a matter of administrative job performance but a question related to the overall tasks of the revolution and construction, a question directly linked in particular to the problem of consolidating the main force of the revolution. Accordingly, there can be no question of ownership conversion apart from the task to strengthen the main force of the revolution.

The task of converting cooperative ownership to ownership by all the people, when viewed from the point of view of the people involved, is a task of human remolding and social remolding designed to turn the cooperative farmers into masters of ownership by all the people, namely, the working class.

What is of primary importance in building the socialist society which has won the complete victory is to solidly consolidate the chuche-oriented forces of the revolution. Only by so doing will it be possible to successfully capture the material fortress for the complete victory of socialism and ensure the successful building of socialist society and its wholesome development by blocking the moves of the hostile classes and preventing the corrosive effects of the outmoded ideas.

In socialist society, the masses of farmers, together with the working class, are the main force of the revolution. But there are differences between the two in their positions and roles in pushing forward socialist and communist construction. The working class is the leading class whereas the farmers are subject to their leadership. Only with the leadership and support of the working class will the farmers be able to properly accomplish the historic task of turning themselves into the working class and industrializing agriculture. This means that both the working class and the farmers form the main force of the revolution in socialist society, but still there are differences between the two in fulfilling their mission and role as the main force.

The task to eliminate the class distinction between the working class and the peasantry and the task to have the farmers nurture collectivism as their intrinsic class character as the working class does are all undertakings to build the chuche-oriented revolutionary force better by consolidating the main force of the revolution more solidly. This is precisely the reason why ownership conversion is not merely a matter of economic technicality but is an important social remolding task to turn the farmers, main force of the revolution, into holders of ownership by all the people, namely, the working class.

When the question of ownership relations is examined not merely in conjunction with the development of productivity, but as a principled question closely related to the task of consolidating the socioeconomic status of the farmers and building up the main force of the revolution, the question can be resolved in a way consistent with the natural law-governed demand for the development of socialist society and the historic missions of the working class.

Indeed the elucidation by the chuche ideology for the first time of the natural law-governed nature of the conversion of cooperative ownership to ownership by all the people provides the precept which makes it possible to adhere firmly to the revolutionary principles of the working class, and this clarification constitutes a great contribution to the developments of the theories of socialist political economics.

South Korea

Military Accused of Political Surveillance

Deserter Steals, Reveals Dossiers

SK0510025290 Seoul YONHAP in English 0237 GMT 5 Oct 90

[Text] Seoul, Oct. 5 (OANA-YONHAP)—Military investigators in South Korea still keep files on political, religious, social and cultural leaders, and compile monthly reports on their public statements, activities and contacts, an army deserter said Thursday. Pvt. Yun Sok-yang, 24, showed reporters some 1,300 cards that he said contained the names of all the people the military has under surveillance and 30 computer discs that he claimed contain their dossiers. Yun said he stole the material when he went absent without leave for "reasons of conscience" on Sept. 23.

The Defense Security Command (DSC), the military's investigation headquarters, Yun says, spies on the leaders of the ruling and opposition parties and targets include Cardinal Stephen Kim Su-hwan, the Roman Catholic primate in Korea, Kim Yong-sam, the executive chairman of the ruling Democratic Liberal Party (DLP), and Kim Tae-chung, the head of the Party for Peace and Democracy (PPD). Each is identified by a personal code number, he said.

Yun, a student activist-turned collaborator, said he had dossiers on Mun Tong-hwan, a former vice president of the PPD and brother of the Rev. Mun Ik-hwan, a dissident clergyman jailed for visiting Pyongyang, and Rep. No Mu-hyon, a maverick opposition lawmaker. Yun was a senior at Hanguk University of Foreign Studies when he was taken to the DSC for interrogation in July 1989 in a roundup of collegians and soldiers suspected of plotting against the government and sympathizing with North Korean ideologies.

Yun had enlisted for mandatory military service in May, two months before the incident. He was subsequently expelled by the university for his role in subversive campus activities, for which he underwent authorities' investigation. Yun said he was drafted to spy for the DSC on dissidents and was to have six months of training before joining the underground movement, but "MAL" (WORD), a dissident monthly magazine, mentioned him in a story, endangering his career in the DSC, and so for the sake of conscience he stole the cards and computer disks from office cabinets while on a guard duty.

The DSC spies on opinion leaders from all sectors including the media, labor, literature and educational institutes. Subjects are each given a code number and placed in one of four different categories—A,B,C or D—and filers are computerized, he said. The DSC designates one investigator to each subject and he must submit a detailed report at the end of the month on their public speeches and remarks, their personal contacts and major activities, Yun said.

Subjects included Yi Ki-taek, president of the splinter Democratic Party, who has the code number "1151," the Rev. Kim Kwan-sok, head of the conference for opposition unification, Kim Tong-yong, floor leader of the ruling party, and the dissident clergyman Pak Hyong-kyu.

Opposition Denounces Revelation

SK0510055290 Seoul YONHAP in English 0545 GMT 5 Oct 90

[Text] Seoul, Oct. 5 (OANA-YONHAP)—Opposition parties urged the government to answer allegations Friday that the Defense Security Command (DSC) continues to spy on prominent citizens, including ruling party leader Kim Yong-sam, opposition party leader Kim Tae-chung and Roman Catholic Prelate Stephen Cardinal Kim Su-hwan.

Kim Tae-chung's Party for Peace and Democracy (PPD) and the Democratic Party said in respective statements they were shocked by the "concrete facts" showing that the military still engages in systematic and large-scale political surveillance. The two parties urged the government to uncover the illegal surveillance and punish those responsible.

A deserter from the Defense Security Command, who said he had cooperated in gathering intelligence, claimed Thursday in a news conference that the DSC has dossiers on more than 1,300 people who are under close surveillance. The claims by the former student activist immediately provoked an outcry about the military's political neutrality as defense officials have said the military has never spied on civilians.

It is common knowledge that despite their protestations the military did engage in domestic spying, but it was thought to have been stopped after President No Tae-u was elected. People under observation include dissidents, anti-government figures, politicians, religious leaders, journalists and scholars.

The ruling Democratic Liberal Party said it would withhold comment on the allegations until Defense Minister Yi Sang-hun could make a statement.

Minister Denies Accusation

SK0510091090 Seoul Domestic Service in Korean 0800 GMT 5 Oct 90

[Text] The Defense Ministry has explained that the Defense Security Command [DSC] had kept files on civilians in an effort to protect them from the enemy or impure elements during war or emergencies and that it had not kept these files for political purposes. It also has said that it would form a joint team to investigate this case.

Kim Chi-uk, spokesman for the Defense Ministry, said today that Private Second Class Yun Sok-yang deserted and released the so-called declaration of conscience because he was called a traitor by his former colleagues when it was disclosed that he had cooperated in the investigation of those whom the DSC and National Police Headquarters arrested on 20 August for involvement in the Revolutionary Workers League case and because he was afraid of retaliation.

Paper Calls for Revival of Domestic Politics

SK0410072390 Seoul HANGYORE SINMUN in Korean 2 Oct 90 p 2

[Editorial: "The Setting Up of ROK-USSR Diplomatic Relations and Peace Arrangement on the Korean Peninsula—Domestic Politics Should Be Revived To Cope With Changing Situation"]

[Text] At the end of the historic meeting between their foreign ministers on 1 October (local time in Korea), Korea and the Soviet Union released a joint communique after signing an agreement on the establishment of diplomatic relations between the two countries. The setting up of diplomatic relations between Korea and the Soviet Union will not only put an end to the relations of hostility that have continued between the two countries for over 40 years, but it will also break up the cold war structure in Northeast Asia and on the Korean peninsula. It is an event of historical significance in that it has opened an era of detente in this region.

When the Soviet Union, which was in dispute with the United States to gain supremacy over the world after dividing it into two camps at the end of World War II, gave up its domination over East Europe and declared an end to the era of cold war, we thought that the waves of detente that had come to East Europe first would sooner or later sweep through the Korean peninsula. Even though Korea and the Soviet Union had already started economic exchange and Presidents No Tae-u and Gorbachev met last June in San Francisco, the news that Korea and the Soviet Union signed an agreement on setting up diplomatic relations came as a surprise for its quick pace in development.

This may be due to the fact that we have been accustomed to regarding the Soviet Union as an enemy for its help to North Korea for nearly half a century since national liberation. It may also be due to our inability to change our way of thinking in the face of the rapid changes now taking place all over the world. Whether we realize it or not, the international situation keeps changing.

What kind of change will the normalized relations between Korea and the Soviet Union bring to the international situation surrounding the Korean peninsula? In preparation for the establishment of Korea-Soviet diplomatic relations, North Korea has already changed its policy of not recognizing "two Koreas" and has agreed with Japan to start negotiations for the establishment of diplomatic relations. At the same time, China, who has tried to maintain only limited economic ties with South Korea due to wariness of North Korea, is expected to exchange civilian-level trade offices with South Korea through consular functions following the Asian Games and then figure out what to do as a next step. Under such circumstances, if the United States and North Korea improve their bilateral relations, there is a great possibility of South Korea and the United States will see their longstanding dream, "cross recognition," realized.

What draws our great concern at this juncture are the relations between the United States and North Korea which parallel those of Korea and the Soviet Union. As a gesture towards meeting U.S. demands, last May North Korea returned the remains of five U.S. soldiers who died during the Korean war and proposed that the diplomatic contacts it had conducted with the United States in Beijing with a view toward improving relations between the two countries be upgraded to those of ambassadorial level. North Korea is also reported to have expressed its willingness to hold closed dialogue with the United States to discuss the issue of signing a nuclear safeguard accord which the United States has been calling on North Korea to sign.

Nevertheless, the United States has insisted that North Korea sign the nuclear safeguards accord and renounce terrorism, saying that only when North Korea meet these demands will it come out to have dialogue with North Korea.

While claiming that they welcome the agreement between North Korea and Japan on negotiations for improving their bilateral relations, the United States reiterates the same conditions for North Korea. The only change in the U.S. attitude toward North Korea is that if North Korea meets U.S. demands, the United States says it is willing to take affirmative measures to upgrade the level of contacts with North Korea and to broaden the range of issues in discussion.

Given the fact that the United States has repeatedly ignored Soviet proposals advanced by President Gorbachev for reducing tensions in this region since his 1986 proposal in Vladivostok for arms control in Asia and the Pacific, it is difficult to expect that the United States would effect sudden shifts in its policy toward the Korean peninsula.

However, at a time when Korea is improving its relations with China after setting up diplomatic relations with the Soviet Union and when North Korea is attempting to establish diplomatic relations with Japan, it will be difficult, at least in our view, for the United States to maintain its power-based policy built on the cold war thinking in this region while keeping a large number of military forces in the Far East.

In order to preserve peace on the Korean peninsula after improving relations between Korea and the Soviet Union and relations between Korea and China, it is imperative to improve the symmetrical relations between North Korea and the United States and relations between North Korea and Japan. If it does not make the effort to improve relations with North Korea and remains inactive in doing so even after the Soviet Union and China, countries that have supported North Korea, have improved their relations with the ROK, the United States will find it difficult to avoid being criticized for not wanting detente on the Korean peninsula. This is why we hope that the United States will at least take active measures to improve relations with North Korea in response to the policy of the Soviet Union which has agreed to establish diplomatic relations with the ROK.

The agreement between Korea and the Soviet Union on establishing their bilateral diplomatic relations also forces us to ponder what we should do to cope with the rapid changes now taking place in our neighboring areas. Diplomacy and domestic politics are closely related to each other just as it is said that diplomacy is a continuation of domestic politics. Thanks to the government's efforts concentrated on the so-called northern policy, our country has been able to set up diplomatic relations with most of the East European countries, and even with the Soviet Union. Now, what has become of domestic politics which is supposed to support such diplomacy? Our country cannot afford to allow domestic politics to drift now as they have been at a time when the situation on the Korean peninsula and in its neighboring areas has entered a great turning point since North Korea and Japan have agreed on negotiations for the establishment of diplomatic relations, and Korea and the Soviet Union have agreed to establish their diplomatic ties.

It is, therefore, imperative for Korea to bring the unraveling of domestic politics under control and make headway in democratization by actively coping with the rapid changes, thereby hastening our longstanding desire, national reunification.

Disagreement on UN Membership Stalls N-S Talks

SK0510083190 Seoul YONHAP in English 0748 GMT 5 Oct 90

[Text] Panmunjom, Korea, Oct. 5 (OANA-YONHAP)—Talks between South and North Korea on membership of the United Nations stalled Friday as neither side would amend their stand, a South Korean Government official said.

In the second round of working-level talks on U.N. membership at the truce village of Panmunjom, South Korean delegate Yim Tong-won said simultaneous admission was the only realistic way to promote reunification of the Korean peninsula, the official said. Yim, chancellor of the Foreign Ministry's Institute of Foreign Affairs and National Security, proposed that South and North Korea form "unification-oriented special relations" until they reunite, closely cooperating in the United Nations, promoting common national interests and making efforts to tear down the wall of division for peaceful unification, according to the official.

Yim urged the North to retract its proposal on U.N. membership, saying that most U.N.-member countries in their addresses to the General Assembly supported simultaneous admission of the two halves of Korea. Yim noted 48 of the 71 countries that made speeches to the General Assembly were sympathetic with the South Korean proposal for separate U.N. membership.

Choe U-chin, Pyongyang's delegate to the talks, reiterated the North Korean proposal that North and South Korea share a single seat and its argument that simultaneous entry would perpetuate and legalize the Korean division, the official said. The closed-door meeting lasted two hours and 35 minutes. Choe's remarks contradict signs of change in the North Korean position contained in a letter from the head of its U.N. observer mission, Pak Kil-yon, to the president of the U.N. Security Council.

The letter said Pyongyang was convinced that a single Korean seat was a reasonable solution to the question of U.N. membership for Korea, but not an absolute demand.

The two sides agreed to hold another round of talks on the U.N. issue before their prime ministers meet in Pyongyang on Oct. 16-19, according to the official.

Seoul Seeking Accord at Coming Premier's Talks

SK0510011790 Seoul YONHAP in English 0059 GMT 5 Oct 90

[Text] Seoul, Oct. 5 (OANA-YONHAP)—South Korea hopes to reach a basic agreement with North Korea on improving their relations in the second round of prime ministers' talks in Pyongyang on Oct. 16-19, a senior government official said Friday.

The South presented an eight-point draft accord on improving ties in the first round of the premiers' talks last month in Seoul, but there was no compromise. The draft included mutual respect for and recognition of each other's political and social system, renunciation of slander and vilification, resolving differences and disputes through dialogue and negotiation, building military trust and reducing arms and realizing free travel and multifaceted exchanges and cooperation.

Southern delegates to the talks, including Prime Minister Kang Yong-hun, were to meet later in the day to discuss strategy for the second round of the talks, the official said. The official said attention was focused on whether North Korea will change its attitude toward South Korea in the wake of changes in the situation surrounding the Korean peninsula, including the establishment of diplomatic ties between Seoul and Moscow and moves to normalize ties between Pyongyang and Tokyo. The North may announce some changes in its policy on the 45th anniversary of the ruling Workers (Communist) Party Oct. 10, the official said.

Seoul Requests Two Meetings With North

SK0510091590 Seoul YONHAP in English 0904 GMT 5 Oct 90

[Text] Seoul, Oct. 5 (YONHAP)—South Korea on Friday invited North Korea to discuss arrangements for a "pan-national" concert in Pyongyang on Oct. 18-24 and inter-Korean prime ministers talks in Pyongyang on Oct. 16-19.

South Korean Red Cross President Kim Sang-hyop, in a telephone message to his North Korean counterpart, Yi Song-ho, called for liaison officers to meet on Monday at the truce village of Panmunjom to discuss the itinerary, safety and return of South Korean participants in the concert.

On Sept. 19, the North Korean Government invited 14 South Korean musicians, including Hwang Pyong-ki, a professor of classical Korean music at Ehwa Womans University, and three reporters to take part in the concert. The South Korean Government gave its approval soon afterward. Also Friday, Kim Yong-hwan, senior South Korean liaison officer for South-North High-Level Talks, informed his North Korean counterpart, Choe Pong-chun, that he wished to meet on Monday at Panmunjom to arrange details of the prime ministers talks.

South, North Agree on Dialogue Center in China

SK0510064090 Seoul YONHAP in English 0619 GMT 5 Oct 90

[Text] Beijing, Oct. 5 (YONHAP)—South and North Korea agreed last week to open a center for dialogue in the Yanbian Korean Autonomous Prefecture in northeast China's Jilin Province, according to sources visiting Beijing from Jilin.

The sources said Friday the two halves of Korea agreed to set up the center during a visit by an emissary of South Korean President No Tae-u to Beijing and Yanbian. Pak Chol-on, a former state minister for political affairs and an in-law of No's, discussed the establishment of the center with North Korean Vice President Yi Chong-ok and Jilin Gov. Wang Zhongyu in Beijing, and completed his discussions with Kim Tong-kil, chief of the Yanbian region, the sources said.

Officials from both Koreas and from Yanbian will join in formation of the center.

The sources said the idea for the center was borrowed from Taiwan, which is trying to win support for reunification with China among Overseas Chinese communities. While maintaining such channels as the prime ministers' talks, the two Koreas may use the Yanbian center if formal channels are blocked for any reason. Seoul has been studying the concept of opening a channel for dialogue in Yanbian for several years, and will render assistance to North Korea and to ethnic Koreans in Yanbian and expand inter-Korean trade through the center, they said.

North Korean Restaurant in Beijing Described

SK2809010790 Seoul THE KOREA HERALD in English 28 Sep 90 p 11

[Text] BEIJING—Two Korean restaurants, one run by South Korean Jinro Co. and the other one by North Korea, are waging a quiet but intense competition to attract reporters and sports officials here at the 11th Asiad.

The restaurants are located near the athletes' village and are about 200 meters from each other. The one operated by Jinro has been in service since early this month, but the North Korean restaurant opened only one day before the opening ceremony of the games.

The Jinro restaurant with a floor space of about 150 pyong is exactly the same style as those in Seoul and offers the same kind of food but at higher prices. However, the North Korean restaurant, named Yugyong Restaurant, is made up of two halls. One hall is almost the same as the other restaurant with built-in gas burners for cooking pulgogi [marinated beef], but the other hall has fewer tables but has a dance floor in addition to a six-member band.

The all-female band who are sometimes clad in traditional costume and other times in Western clothes, is composed of two electric organists, three electric guitarists and a drumer. The music they play is North Korean popular songs and traditional folk songs like Arirang, Toraji and Yangsando. Sometimes singers came out and sang popular songs. Their regular numbers include "Spring in Hometown" and "Our Wishes Are Unification."

According to a manager of the restaurant, the most popular song in Pyongyang the last several years was "Moonlit Night in Pyongyang." There are some 40 people, mostly women, working in the restaurant, he said.

The songs have either a disco or blues beat. The band usually plays from 7 p.m. to 11 p.m. In the first several days of its opening, the hall was jampacked with South and North Korean reporters, sports officials and other young North Korean ladies in their 20s.

The young ladies posed as mere tourists who came here to see the Asiad. Some looked as refined and smart as ladies from Myong-dong and Apkujong-tong in Seoul. They readily accepted offers by South Koreans to dance, showing no signs of shyness or awkwardness. The young ladies, who sit in groups of three or four at different tables, were seen ordering beer and drinking among themselves.

A North Korean sports official who happened to share a table with the reproter said there are a growing number of restaurants of this kind in Pyongyang. But, he is not sure whether the behavior of the ladies or the way they look is the norm in North Korea. However, one thing clear is that North Korean society particulary the life style of the ordinary people is changing.

DPRK Working To Improve Relations With West

SK0410070290 Seoul Domestic Service in Korean 2200 GMT 3 Oct 90

[Text] Beijing, REUTER/YONHAP—Diplomats based in Beijing expect North Korea to work to overcome 40 years of isolation and to try to find ways to achieve closer relations with Western countries because of its economic crisis and the loss of the Soviet Union, which is its important ally and creditor nation.

A diplomat who recently visited Pyongyang said that the establishment of diplomatic relations between the ROK and the Soviet Union at a time when North Korea is in a state of economic ruin—necessitating increased food rationing and causing an energy crisis due to the high price of oil—is like a final blow to North Korea's Kim Il-song.

Because of this, regardless of relations with South Korea, North Korea last week agreed with Japan to promote the establishment of diplomatic relations. It also has been learned that North Korea is planning to hold contacts with Western countries, such as the United States, Australia, and France.

North Korean observers in Beijing perceive that unless North Korea carries out considerable reform measures for the 22 million people who live in the most strictly controlled and isolated society in the world, it will be difficult to penetrate the international diplomatic arena.

Swedish Embassy To Represent Germany in DPRK

SK0410050290 Seoul YONHAP in English 0448 GMT 4 Oct 90

[Text] Seoul, Oct. 4 (YONHAP)—The Swedish Embassy in North Korea will carry out diplomatic and liaison affairs on behalf of the Government of Germany for the time being, a senior German diplomat said Wednesday.

Jurgen Kleiner, the German ambassador in South Korea, said at a reception to mark unification of West and East Germany that diplomatic relations between East Germany and North Korea were terminated when Germany was unified Wednesday.

Sweden will represent Germany on matters of concern while diplomatic relations with North Korea are broken off during a transition period, Kleiner said, adding that the step complies with the Vienna Convention on diplomatic relations.

Diplomatic Relations Established With Benin

SK0410033190 Seoul YONHAP in English 0259 GMT 4 Oct 90

[Text] New York, Oct. 3 (YONHAP)—South Korea and Benin established diplomatic relations at ambassadorial level here Wednesday, the Korean Foreign Ministry said.

Foreign ministers Choe Ho-chung of Korea and Theophile Natta of Benin signed the protocol on establishment of diplomatic relations between the two countries. Korea has now diplomatic ties with 145 nations.

* KDI Unveils 'Inflated Budget' Plan for 1991

* KDI Urged To Adopt New Image

902C0303A Seoul CHOSON ILBO in Korean 28 Jul 90 p 7

[Article by reporter Kim Kwang-hyon]

[Text] Amid the continuing controversies over the way various state policy research institutes are being run, the Korea Development Institute (KDI)—a typical such institute long recognized as the delivery room of the nation's economic policies—is drawing public concern by taking the lead in pushing for a vastly inflated budget—inflated by more than 25 percent.

In a report published yesterday on "the appropriate size and priorities of the 1991 budget," KDI holds that the reasonable size for the 1991 budget is of a 28,500 billion won level if the nation is to nurture its growth potential and meet the people's basic welfare demands. The figure represents an approximately 25.6 percent gain over this year's budget.

It is noteworthy that this finding by KDI shows a significant difference from its earlier report issued on 15 June, only a little more than a month ago. In that report, titled "Prospects of the 1990 National Economy and Immediate Policy Tasks," KDI maintained that "the most important policy goals of our economy this year are price stabilization and management of the international balance of payments." "To that end," it stated, "it is required more than anything else for the government to pursue restrictive policies concerning currency and fiscal operations."

Especially, KDI then said in a strong tone: "The will for fiscal retrenchment dampens psychologically the private sector's expectations of an inflation, while the reflux of currency through the tight money policy has the effect of reducing pressures that push up prices. Therefore, the tight money policy should prevail for the time being, for the sake of price stability at least."

It sparked a controversy that this basic shift in the position of KDI as a policy recommending institute came less than a week after Deputy Prime Minister Yi Sung-yun held his press conference on 21 July, in which he suggested plans for a drastically increased budget for next year by saying that "with a view to increasing investments in public works, including the social overhead capital which has become the stumbling block for stabilized growth, the budgetary scale should be expanded." Critics note that KDI, while its role should be to straighten out a disoriented and confused administration in terms of basic policy line, has come forward taking the lead in promoting inconsistency.

Experts generally agree that it dates back to last year that KDI began showing more interest in promoting the administration's short-term policies rather than in showing a long-term policy vision which is its fundamental function.

When labor-management disputes peaked in the first half of last year, KDI issued a report titled "Wages and the National Economy," saying in its recommendation to the administration that "a national committee on wages should be created to establish a wage guideline." At the time, KDI was already being criticized for "playing the role of setting the tune favorable for the shaping of policy by the government even before the policy is made public."

Also, in its data compiled for "policy consultations on income and fair distribution of wealth" published in November last year, KDI maintained that "dissolving the income gap between social strata, geographical regions and economic sectors and improving the distribution structure are the most central economic policy tasks for our economy to accomplish." Since the economic team led by Deputy Prime Minister Yi Sung-yun took office in March, however, KDI has never referred to the distribution or equilibrium issue.

KDI has also continued to err in its predictions of economic developments since last year. Especially, before the growth for the first quarter this year was officially found to be 10.3 percent in May, the KDI projection had been 7.3 percent until April or a month prior to it. The big 3 percent points error put KDI to shame, along with the Bank of Korea. Thus, with the economic forecasting capacities of KDI and the government not functioning as they should, it was inevitable that economic policies ran into problems in their effectiveness and consistency and that the nation's economic environments grew increasingly difficult.

With regard to the budget issue, everyone is aware of the fact that the budgetary demands have vastly increased. It is a fact that the insufficient investments in infrastructure like ports, harbors and freeways in the 1980's led to impediments that are seriously restricting economic vitality now. In a variety of areas including development of technology, public security, the easing of traffic congestion in big cities, public health and so on, budgetary demands have increased enormously.

For all that, however, a budget reflecting an increase by as much as 20-odd percent at one stroke cannot but be an inflated one to the eyes of the people, whatever the government and KDI may say. They may say that it is a balanced budget compiled under the principle of expenditure within the limit of revenue and, therefore, will contribute to the long-term economic stability without affecting prices adversely. But the psychological effect on the people apprehensive of inflation cannot but be serious.

Under these circumstances what KDI should do is to persuade the administration by pointing out that it "can more reasonably resort to phased expansion but compiling a drastically inflated budget for a single year is not the right thing to do." Nevertheless, KDI took the lead and recommended a budgetary increase more than double the anticipated 1991 current account growth (13-14 percent). This cannot but be seen as inconsistent with its original function.

Every one knows of contributions KDI made to the developments of our economy in the 1970's and 1980's as the delivery room of the economic policies that led to the high growth and price stability in those decades. Also, under the government-led economic development policies in the 1980's and before, it was not unreasonable that KDI kept pace with the government.

However, this is not an era for government-led, unilateral policy of development. There have been enormous, complex changes in the economic situation and environmental factors. It is the time for KDI to change its behavior and take on a new image—and more importantly, for the government to do away with the bad habit of trying to make use of KDI unconditionally.

* KDI's 1991 Budget Report Criticized

902C0303B Seoul MAEIL KYONGJE SINMUN in Korean 28 Jul 90 p 3

[Article by reporters Kim Se-hyong and Chong Tong-chol]

[Text] KDI has become a subject of controversy over a report it has submitted to the government setting forth a 28,500 billion level as the appropriate size of the 1991 budget, which represents an approximately 26 percent gain over 1990.

The logic used in the report imparts a strong impression that KDI substantively lends support to what Deputy Prime Minister Yi Sung-yun said at a press conference on 23 July.

If the Economic Planning Board [EPB] and KDI should be based on sound fiscal theories in proposing so inflated a budget, there would be no problems at all; in fact, it has been pointed out, however, that the report is replete with loose hypotheses and theoretical contradictions and therefore hardly convincing.

Not only EPB and KDI but also Kim Chong-in, senior presidential secretary for economic affairs noted, at a meeting with advisers on science and technology on 24 July the inevitability of an inflated budget for next year. The Ministry of Government Administration and the Korea Traders Association are also known to have joined the chorus.

In a nutshell, the impression is that an all-out battle is on to back up an inflated budget theoretically and administratively.

It is a fact that the positive offensive for an inflated budget has spawned a misunderstanding that it may have something to do with the local autonomy elections scheduled for next year and the general election anticipated for 1992.

As a logical basis for its argument that the 1991 budget should be expanded to a 28 trillion-29 trillion won level, KDI asserts that the appropriate economic growth rate is 13-14 percent and that the tax account should generate no surplus funds.

However, the fact that KDI, after estimating this year's GNP growth at 16.1 percent, now predicts a lower level for next year than this year is enough to stir criticism that it is preoccupied with "figures."

The error in the GNP current-account growth estimated by EPB and KDI at the time of the budget compilation reached as high as 8.4 percent in the 1988 case and is expected to arrive at 4.8 percent this year. As critics say, they have problems in the basic hypotheses they put forth.

However, with regard to their basic idea for expanding investments in public works, including public security and harbor, port, road, housing and aviation construction, there are no particular objections to it among academicians and experts.

KDI notes that the ratio of social development spending against GDP is 7.3 percent at best in our country, a figure way below the 24.2 percent in industrialized democracies and even lower than the 11.4 percent in developing countries whose income levels are lower than ours.

The low ratio directly leads to industrial and traffic congestion as the economy grows and, in long terms, seriously affects the competitiveness in the world markets.

KDI also maintains that the ratio of the scale of state finances against GNP, fell to 15.1 percent from the 1980's average of 16 percent and that the decline created problems in the nation's housekeeping. Therefore, KDI insists, a bold "leap" is needed.

The problem is the fact that EPB and the political sphere are too preoccupied with figures.

From the moment the appropriations work began, the principal budget for this year has always been compared with last year's and the gain was the issue. But they always had the extra purse—supplementary budget.

The point is that even if the next year's budget is expanded up to 29 trillion won, the gain will be only 18 percent should the supplementary budget of this year be also taken into account.

The prospects are that it will further decline to 16 percent should there be another supplementary budget compiled before the year is out.

That is to say that the fictiousness of figures is confusing the people.

KDI offers two formulas in estimating the appropriate size of the 1991 budget.

The first formula is for maintaining status quo in the ratio of the budgetary scale against GNP (15.1 percent), while the other formula is for a balanced "expenditure within revenue" budget.

The first formula puts the appropriate size of the budget at a 27,800 billion won to 28,100 billion won level, or a 22.5 percent to 26.6 percent gain over the current year's principal budget. This formula basically is based on hypothesis setting the 1991 GNP current-account growth at 13-14 percent.

Formula No. 2, seeking a balanced budget based on the prospective tax revenue and designed to produce no surplus funds from the tax account, sets the scale of the budget at a 28,300 billion-29,300 billion won level, which represents the total of 27,800 billion-28,300 billion won in tax revenue and 1 trillion won in non-tax surplus fund. [figures as published]

KDI then chose a middle point between the two plans, "recommending" a 28,500 billion won level.

Nevertheless, it puts emphasis on the second plan in its support, leaning toward an inflated budget.

It should of course be considered reasonable that KDI proposes an inflated budget plan designed to foster the growth potential, promote economic security of the public through increased investments in social welfare programs and to further the nation's international competitiveness.

Nevertheless, the KDI report gives the impression that it exceedingly underestimates the danger of inflation from a sudden budgetary expansion.

While emphasizing that the "expenditure within revenue" is neutral to prices and has the effect of promoting a currency reflux through an increased tax revenue, the report avoids referring to the "multiplier effect" of expanded fiscal expenditure. However neutral the expenditure within the revenue might be, the expanded fiscal expenditure will push up the national income level and increase the demand for currency, stimulating prices. Clearly, KDI is turning a blind eye on this textbook theory.

The current tax revenue structure remains questionable in many points. But, apparently, the KDI position is to forget about them and expand the budget first no matter what. Observers point out that this is another irrational point.

While the planned 1991 budget shows a gain by more than 5 trillion won over the finalized 1990 budget, amendments to tax laws are expected to cut the revenue by more than 2 trillion won.

It is expected that there will be a potential shortfall of approximately 2 trillion won from the partial abolition of the defense tax and the basic tax collection process, and that the reductions of the corporate tax and the type-A individual income tax will cut the revenue by another 1 trillion won.

This means that the reliance on indirect taxes such as the added value tax and the special consumption tax will increase accordingly, creating a reverse transfer of wealth.

It is a matter that demands reconsideration that they persist in an expanded budget while leaving uncorrected this sort of tax revenue structure unfavorable for the low-income class.

We should be as much on guard against EPB, KDI and other state policy institutes down the road orchestrating their voices for some "ulterior motives" as against an inflated budget bringing adverse effects on prices.

* Government To Develop Tongil Park

902C0293 Seoul HANGUK KYONGJE SINMUN in Korean 20 Jul 90 p 18

[Report: "The Plan for Tongil Park Has Been Set To Lay the Visible Foundation for North-South Opening and Reunification"]

[Text] On 19 July the Ministry of National Construction finalized the basic plan to promote the development of the Tongil Tongsan (Unification Park) area for submission to the next State Council meeting.

The draft plan, originally presented to the president in March, had gone through the proceedings for designating the area covered as a special area and a special zone earmarked for speedy development, the process of consultation with other government agencies concerned, and the process of deliberation by the Committee for the Promotion of Development of Special Zones before being finalized on that day.

Tongil Park will be completed by the end of 1993 in an area of 6.6 square kilometers (2 million pyong) in Paju County, Kyonggi Province, with a total cost of 435 billion won. Below we will examine the Tongil Park construction project—its background, the direction of its development, and its effects. The project will be jointly pushed by the National Unification Board and the Ministry of National Construction.

Background

This plan is being promoted as part of the idea about building the City of Peace as outlined in the president's 1988 address to the UN General Assembly session and in his plan for the reunification of the community of the Korean people.

With the rapidly rising rapprochement mood between East and West as a momentum, the government keenly feels the need for this plan as a visible project to lay the foundation for reunification by widening the scope of mutual opening between North and South and promote exchanges and cooperation between the two.

The government intends to build Tongil Park as a place symbolizing national harmony in preparation for reunification.

Direction of Development

Tongil Park will be built as a unique world-class tourist complex under the master large-sphere development plan for the City of Peace presented by the National Land Development Administration.

Unification, Harmony, Peace, and Heritage are the basic themes of the park and all structures will be built to symbolize these themes.

To this end, the park will provide these facilities: a place for reunion to slake the burning desire of the 10 million separated families for yet unrealized reunification, a training facility for education in national security, and mass recreation facilities.

In addition, as a connecting road in preparation for reunification, a 46.6 kilometer Freedom Way will be built to link the Great Haengju Bridge to the Freedom Bridge via Tongil Park.

Outline of Project

Korea Land Development Corporation will execute the project spending 187 billion won on Tongil Park and 248 billion won on Freedom Way.

According to the schedule, the corporation will have its execution plan approved by 31 August, pay compensation for land and buildings purchased beginning 1 September, start work on 1 October for completion by 31 December 1993.

The Tongil Park construction project will be carried out in an area of 6.61 million square meters by dividing it into four sections by different themes, and the highway project will be executed in two stages.

Freedom Way will be a 10-lane highway ultimately, but initially the 29-kilometer section between the Great Haengju Bridge and Odusan (the observation tower in Tongil Park) will be 4 to 6 lanes, and the 17.6-kilometer section between Odusan and the Freedom Bridge will be a 4-lane highway.

Land Utilization Plan

Unification Park will be divided into sections according to different themes. In the 530,000 square meter unification section, the reunification plaza, a green belt, and a parking lot will be built. In the plaza, an observation tower, a wishing tower of unification, a prayer house for unification, and a unification landscape will be built.

Constructed in the 1.99-million square meter (601,000 pyong) harmony and peace section will be a sports complex, religious facilities, logistic facilities such as lodging facilities, a shopping mall, and public facilities, plus a green land of peace, and a parking lot.

In the 2.1 million square meter (635,000 pyong) heritage section, a folk village with traditional restaurants of different provinces, and memorial facilities, such as a cemetery park, will be built.

As a matter of principle, funds for the construction of various facilities in Tongil Park will be raised from the private sector as far as possible.

Compensations for People Who Have To Move

For the resettlement of those who have to move in connection with the park project, the plan calls for the construction of a 204,000 square meter (60,000 pyong) housing complex inside Tongil Park.

Compensations for the land and buildings to be vacated will be made through consultations between Korea Land Development Corporation and local inhabitants involved.

In assessing land and buildings to be purchased through consultations, the opinions of inhabitants involved will be taken into full consideration.

Effects of Development

The park project will play a part in the balanced development of the land of the country by promoting the development of the park area, which has remained a backwater due to its geographical peculiarities, by linking the development to new Ilsan City.

Freedom Way will initially play its part as a connection road leading to Tongil Park, but ultimately it will have its characteristic as a highway built in preparation for reunification.

An observation tower and a wishing tower of unification will be built on Odusan as places where people will look in the direction of the North, a land inaccessible to them, and pray for reunification. After reunification is achieved, these two towers will be maintained as living monuments for history lessons.

* Eased Controls Spur Industrial Competition

902C0302 Seoul HANGUK KYONGJE SINMUN in Korean 30 Jul 90 p 6

[Report: "Industries Hastening To Change To Adapt Themselves to a New Era of Competition"]

[Text] [Boxed item] A new structure of competition has been spreading in three sectors of the automobile industry since the termination of the period of the enforcement of industrial rationalization at the end of June as stipulated in the Industrial Development Law. Below, we will examine the changes that are taking place in four major industries in the wake of the lifting of government restrictions on competition in each of these industries.

The automobile, ship diesel engine, heavy electric machine, and petrochemical industries are undergoing changes in the new framework of competition which has been instituted since the lifting of restrictions on competition. The petrochemical industry is busy making new investments as it enters a new era of free competition as a result of partial liberalization put into effect last year and full liberalization this year. [end boxed item]

AUTOMOBILE INDUSTRY

Model War Spreading in Context of Current Four-Way Competition, Edgy About New Entry by Samsung, Others

After government measures for industrial rationalization were put into effect in 1981, specialization had continued until 1986 with Hyundai and Daewoo specializing in the manufacture of passenger cars and Kia in 1 to 5-ton small and medium-size commercial vehicles.

The partial adjustment in 1987 of the rationalization measures with the lifting of specialization requirements for these automakers opened up an era of three-way competition in the sectors of passenger cars and small and medium-size commercial vehicles. Nevertheless, until the end of this June, these sectors had remained within the categories coming under the rationalization provisions, which barred investment by outsiders.

With the termination of the period of restriction on competition, moves have been active among existing automakers to expand into new automotive sectors and among newcomers to enter the market.

It was easy for Ssangyong Motor Company to enter the large-size truck market because it has been producing large-size special-purpose automotive equipment, and it is now pushing ahead with a plan to enter the small and medium-size commercial vehicle and passenger car markets also. The plan envisages that Ssanyong Motor will emerge as a full-fledged general automaker by the mid-1990's.

While developing its own models through sector-by-sector service contracts, Ssanyong Motor is pushing a technological tie-up with a foreign automaker.

This year Asia Motors Company of the Kia group entered the consumer jeep market, challenging Ssangyong's monopoly of the market, and thus opening up an era of competition in this sector. Asia Motors will also enter the light-weight commercial vehicle market with a technological tie-up with Daihatsu Motor Company, a a Japanese firm.

Asia Motors plans to install production facilities with an annual capacity of 100,000 light-weight commercial vehicles with the goal of putting its products on the market beginning in the latter half of 1991. Asia Motors is seeking to achieve growth by maintaining its complementary relations with Kia, its parent body, through specialization in specific types of vehicles.

Meanwhile, the Daewoo group is having its Daewoo Shipping & Heavy Machinery, Limited enter the automobile market, thus promoting two-dimensional business operations. Daewoo Shipping & Heavy Machinery is now building an automobile factory in Changwon through a technological tie-up with Japanese Suzuki Company.

Daewoo is pushing a plan to begin commercial production of small light-weight cars and light-weight commercial vehicles early next year in order to become the forerunner in the light-weight car market.

The Hyundai group also will have Hyundai Precision & Industry Company enter the auto market specializing in specific categories of cars. Hyundai Precision will build an automobile factory in Ulsan through a technological tie-up with Japanese Mitsubishi Company with a view to producing multipurpose four-wheel drive (4WD) cars beginning next year. It will enter the 4WD sports utility vehicle (SUV) market and engage in competition with Ssangyong's Family model.

The new entry by Daewoo Shipping & Heavy Machinery and Hyundai Precision & Industry and the expansion of the types of automobiles by Ssanyong and Asia Motors are taking place within the framework of the existing four groups.

Despite the increase in the number of automakers entering new fields, the framework of four-way competition remains the same. This is to say that competition will spread in each category within the framework of four-way competition.

However, enterprises outside the four groups are also seeking to enter the automobile market.

The Samsung group has decided to have Samsung Heavy Industries enter the large-seize commercial vehicle market and has filed a notification with the government on its plan to introduce technology from Nissan Diesel.

The Halla group is preparing to enter the large-size commercial vehicle market, and Pohang Iron & Steel Company is interested in the automobile industry.

Tongil Corporation also has the potential of expanding into the finished car assembly sector from parts production.

The government is scheduled to complete an on-the-spot survey of the automobile industry by 30 July and write a report on the basis of this survey. The government is soon to finalize its policy toward the automobile industry with respect to whether it should continue to permit new entries following the lifting of restrictions on competition in the automobile industry or maintain the current framework of four-way competition. Attention is focused on this forthcoming decision. (by reporter Sim Sang-min)

HEAVY ELECTRIC MACHINERY INDUSTRY

Cut-Throat Competition Over Delivery of Equipment to Korea Electric Company's Procurement; Firms Accelerate Technological Development To Brace for Market Opening

The first year following the lifting of the industrial rationalization measures related to Korea Electric Company [KEC] procurement of ultra high voltage electric equipment is viewed as a period of preparation for full-scale competition.

For the past year Hyundai Electrical Engineering, Goldstar Industrial Systems, and Leechun [Ichon] Electric MFC Company passed Korea Electric Company's specification tests and otherwise laid the groundwork for competition in preparation for supply of ultra high voltage equipment to Korea Electric Company.

Hyundai Electrical Engineering in particular began to obtain orders from Korea Electric Company late last year, although the amount of equipment ordered was small, and is swiftly challenging the ground held by Hyosung.

In the heavy electric equipment industry, there will be a fierce competition among four ultra voltage equipment producers beginning in the latter half of 1990.

With KEC procurements accounting for 70 to 80 percent of the total ultra voltage equipment supply in our country, the competition is expected to be so keen that the outcome will decide the fate of the companies in this sector.

The company posing the greatest threat to Hyosung is Hyundai Electric Engineering. During the period of rationalization, Hyundai had concentrated on exporting and filling demand in the private sector. But as soon as the rationalization measures were lifted in July last year, Hyundai passed the KEC specification tests in the categories of 154 kv and 345 kv ultra high voltage equipment and began to obtain orders from KEC.

Last April Hyundai Electric Engineering also passed the specification tests in the ultra high-voltage circuit breaker system such as the gas insulation switch (GIS), gas circuit breaker (GCB), and disconnecting switch (DS) categories.

Hyundai delivered about 2 billion won worth of ultra high voltage equipment to KEC last year and received 5 billion won worth of orders from KEC in the first half of 1990, or about 30 percent of the total KEC procurement.

Hyundai has worked out a plan to occupy at least 90 percent of the ultra voltage equipment market in 1991, thereby surpassing Hyosung.

Goldstar Industrial Systems is concentrating on circuit breakers rather than on transformers.

It signed technological tie-up contracts with Japanese Fuji Electric Company on GCB's and GI's and with the French [Simitechtronic Company] on phase separators for transformers.

Goldstar Industrial System passed specification tests on its GCB in April and is now participating in KEC bidding. It has obtained approval for GIS and DS business on the basis of diagrams presented, and is getting ready to pass the specification tests by the fall.

Ichon Electric MFC Compnay also passed the KEC specification test on its 154 kv transformers in January and is currently trying to obtain orders while hurriedly pushing technological development to pass the specification tests on TCB and GIS circuit breaking systems within this year.

Standing face to face with the challenge posed by Hyundai, Goldstar, and Ichon, Hyosung Industries is putting forth all its energy to develop technology so that it may reduce production costs by increasing the domestic content of ultra voltage equipment.

However, this competition among domestic heavy electric equipment makers may be a relatively minor problem.

This is because international competition is expected to heat up in this field as a result of the government plan to open the procurement market to foreigners.

In addition, depending on the outcome of the Uruguay round of tariff negotiations, the tariffs on heavy electric equipment are expected to drop from the current 13 percent to 9 percent in 1992.

It is feared, nevertheless, that a large portion of the procurement market is expected to be taken up by foreign competitors when market opening takes effect because the technological levels of our heavy electric equipment makers fall far behind those of developed nations.

To cope with the opening of the market, the government is exerting concentrated efforts to improve the competitiveness of our industry by, among other things, working out "a 5-year plan for the development of heavy electric equipment technologies." (reporter Yuk Tong-in)

SHIPBUILDING INDUSTRY

Expanding Capital Investment in Ship Diesel Engine Production, Upgrading Engine Quality; Showdown Expected on Mid-Size Engine Market

A heated competition is expected to develop among existing makers and newcomers in the ship diesel engine market.

Samsung Shipbuilding & Heavy Industries Company and Daewoo Shipbuilding & Heavy Machinery, Limited, which have been barred from this market under the rationalization measures, are now actively pushing ahead with plans to enter.

Hyundai Heavy Industries and Ssanyong Heavy Industries, which were producing large-size (over 6,000 hp) and medium-size (320 to 6,000 hp) diesel engines, respectively, in the period of rationalization, are now diversifying their production lines.

These existing producers are doing their utmost to keep their present market shares by expanding equipment investment and upgrading their products.

The reason a keen competition is developing among firms seeking new entry in the market and among the existing firms seeking to expand their product lines is that they want to meet ever increasing demand for engines spurred by the shipbuilding boom with their own products.

In addition, seeking accomplishment of such a size economy through an expansion of the product line is another factor responsible for the keen race for business expansion.

The monopoly or oligopoly of the shipboard diesel engine market which has lasted for the past three years is being transformed into a system of competition with the business expansion of existing producers and the entry of newcomers.

This is to say that the ship diesel engine market is undergoing a drastic change one year after the lifting of the rationalization measures.

The medium-size engine sector in which Ssangyong Heavy Industries holds monopoly is expected to change most drastically.

Hyundai Heavy Industries recently filed a notification with the Ministry of Trade and Industry on introducing foreign technologies associated with the production of medium-size engines, thus making the first step toward diversification of its business.

Hyundai Heavy Industries is the first to formally present a plan to enter a new field since the rationalization measures were lifted.

Hyundai plans to introduce related technologies from Mann B & W Company, its West German partner to the existing tie-up, in addition to technologies already introduced in other fields, in order to plunge into the medium-size engine market.

Hyundai plans to produce about 250 500-2,000 hp diesel engines a year in Ulsan by using technologies introduced from this West German company.

Of the engines it produces, Hyundai plans to use about 200 for its own shipbuilding and supply the remainder to domestic firms, such as Daewoo Shipbuilding & Heavy Machinery and Samsung Heavy Industries, and foreign firms.

Hyundai's strategy is to have a showdown with Ssanyong by banking on its advantage that it can use about 100 engines, or 40 percent of the domestic market, for its own use.

It is speculated in business circles that the competition between these two companies is bound to be overheated because each seeks to secure the domestic medium-engine market against the other.

Anticipating that it will have to yield a considerable share of the domestic market to its competitors, Ssangyong is preparing to produce small-size diesel engines while looking for potential buyers overseas.

With Samsung Heavy Industries preparing to enter the small diesel engine market, competition among producers, such as Daewoo Heavy Industries, Daedong Industrial, and Hyundai Heavy Industries, is expected to heat up in this market.

In the large-size diesel engine market, Korea Industries and Construction Company is consolidating specialized production facilities and Daewoo Shipbuilding & Heavy Machinery are joining Hyundai Heavy Industries and other existing firms which have secured the market for their products. All signs indicate that this sector also is about to enter an era of competition. The size of this market is at a level of about 100 engines, but money invested in this sector is so enormous that it will be very hard for large-size diesel engine makers to secure a competitive edge. (by Kim Kyong-sik)

PETROCHEMICAL INDUSTRY

Naphtha Cracking Facilities To Be Built, Oversupply of Synthetic Products Feared

Riding the tide of investment liberalization which took effect in the petrochemical industry beginning this year, petrochemical firms are building new production facilities or consolidating existing ones.

No sooner had the restrictions on investment been lifted than Hyundai, Samsung, and other large corporations plunged into the petrochemical sector this year by setting out to build large petrochemical complexes.

The firms which are already in the field, such as Korea Petroleum Corporation, Lucky, Hanyang Chemical Corporation, Korea Petrochemical Ind. Co., and Honam Petrochemical Corporation, are also building new facilities or expanding existing ones in order not to fall behind newcomers in the competition.

What the industry is concerned about most in connection with investment liberalization is various corporations' plans for investment in naphtha cracking facilities (NCC) for producing basic materials.

Altogether six firms—the newcomers, Hyundai Petrochemical, Samsung General Chemical [chonghap hwahak], and the old-timers, Lucky Petrochemical, Korea Petrochemical Ind., Honam Petrochemical, and Hanyang Chemical—are vying each other to build NCC facilities.

Hyundai and Samsung, which are building large plants in the Taesan petrochemical complex, plan to complete the construction of naphtha cracking facilities with an annual capacity of 350,000 tons (in terms of ethylene) by the second half of 1991.

Lucky, Korea Petrochemical Ind., Honam, and Hanyang also plan to complete the construction of naphtha cracking facilities with an annual capacity of 250,000 to 350,000 tons each in the first half of 1991 at the earliest and in the first half of 1993 at the latest.

Along with the construction of naphtha cracking facilities, petrochemical companies are also energetically pushing for the production of related products to establish a vertical product line.

Hyundai Petrochemical and Samsung General Chemical plan to complete the construction of plants for the production of a vertical line of products, such as polyethylene (PE), polypropylene (PP), ethylene glycol (EG), and styrene monomer (SM).

Daelim Industrial Company is pushing for the introduction of technologies under its plan to build a low-density polyethelene (LDPE) plant with an annual capacity of 100,000 tons and a PP plant with an annual capacity of 80,000 tons.

Lucky, Hanyang, and Korea Petroleum Corporation are studying plans to produce or preparing to produce high-density polyethelene (HDPE), styrene-butadiene rubber (SBR), and polystyrene (PS) plants, respectively.

The rush by firms for building new plants or expanding existing ones resulted in an oversupply of products in the fields of synthetic resin, synthetic rubber, and synthetic materials with the inventory increasing as much as 68 percent in the first five months of this year over the corresponding period in 1989.

Considering an additional 2.1 million ton capacity which is expected to be put into operation by 1994, the oversupply issue is expected to further aggravate.

The oversupply phenomenon is also appearing in high-purity terephthalic acid (TPA). When the production facilities of Samnam Petrochemical and Koryo Petrochemical Company, which entered this field for the first time this year, are put into full operation, and when imports are added to the domestic supply, the oversupply is expected to reach about 150,000 tons.

In synthetic rubber also, industrial sources predict that there will be an oversupply of more than 20,000 tons this year due to the slack demand and a large quantity of cheap imports from China.

It seems urgent for the petrochemical firms to work out measures, such as self-regulation of investment and promotion of export, in order to solve the oversupply problem and avoid duplicate investment resulting from investment liberalization.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Comments on Parliament Dissolution

BK0410125090 Hong Kong AFP in English 1128 GMT 4 Oct 90

[By Mervin Nambiar]

[Text] Kuala Lumpur, Oct 4 (AFP)—Prime Minister Mahathir Mohamad said he was dissolving Malaysia's parliament effective Friday, paving the way for a general election a year before his government's term expires. Dr. Mahathir told a news conference after talks with top officials of the ruling National Front that the 11-party coalition would win at least two-thirds of the seats in the expanded 80-member Dewan Rakyat, the lower house.

"The two-third majority is important because without it the government will not be strong and there will be unhealthy disturbances," said Dr. Mahathir, flanked by leaders of his coalition's component parties.

The main challenge to Dr. Mahathir's government will come from an alliance of opposition parties welded by his arch-rival, Tengku Razaleigh Hamzah, a former trade minister.

The parliament's dissolution came after more than a year of barely disguised campaigning by Dr. Mahathir and Mr. Razaleigh, a 53-year-old bachelor prince, who has vowed to break the National Front's stranglehold on power since independence 33 years ago.

Mr. Razaleigh has brought together virtually every opposition party in a grand alliance built around his Semangat '46 (Spirit of '46), which he claims is the successor to the United Malays National Organisation (UMNO), outlawed by the courts in February 1988.

Dr. Mahathir set up a new UMNO, the backbone of the National Front, after the court ruling and has accused Mr. Razaleigh of wrecking ethnic Malay unity and Malay domination of Malaysia's political structure.

Mr. Razaleigh has said his alliance of Malay moderates, Moslem fundamentalists and ethnic Chinese will for the first time provide Malaysia's eight million voters with a viable alternative government. He has accused Dr. Mahathir's government of large-scale economic mismanagement, corruption and cronyism and said the prime minister has done little to unite Malaysia's many races.

Dr. Mahathir said dates for the nomination of candidates to contest the elections and polling would be fixed later by the independent election commission. The commission has traditionally opted for the minimum period for electioneering, which under Malaysian law is four days between dissolution and nominations and eight days between nomination and voting.

Dr. Mahathir, 64, said he had instructed the chief ministers of the 11 states in peninsular Malaysia to obtain dissolution orders from their respective sultans to allow for simultaneous polls to the state assemblies. No polls will be held for the state assemblies in the east Malaysian states of Sabah and Sarawak.

Except for a brief period after polls in 1969, Malaysia's ruling coalition of mostly ethnically based parties has always held two-thirds of the seats in the Dewan Rakyat, allowing it to amend the Constitution at will. The 1969 polls were followed by race riots pitting ethnic Malays against Chinese. Hundreds died in the clashes after which the coalition was expanded to include several opposition parties.

Dr. Mahathir said his government had decided to invite the commonwealth to send observers to oversee the polls but was unsure whether the opposition would agree to his proposal. Opposition leaders want the observers to have specific terms of reference, including the right to report on any suspicious practice.

Opposition Parties Prepare for New Elections

BK0510112690 Hong Kong AFP in English 1000 GMT 5 Oct 90

[By Mervin Nambiar]

[Text] Kuala Lumpur, Oct 5 (AFP)—Malaysia's largest ethnic Malay opposition party said Friday it would make "Save Malaysia" the theme of its polls campaign to underline its concern over alleged abuses by the nine-year-old administration. Tengku Razaleigh Hamzah, president of Semangat '46 (Spirit of '46), spearheading a fledgling Opposition Alliance, said the Save Malaysia theme would be the central pledge of the party's manifesto to be released soon.

Prime Minister Mahathir Mohamad Thursday announced the dissolution of Malaysia's Parliament, paving the way for elections to fill the expanded 180-member Dewan Rakyat, or lower house.

The independent elections commission was meeting in Northern Ipoh Town Friday to set dates for the nomination of candidates and polling. Simultaneous elections will also be held to fill 11 of Malaysia's 13 state assemblies.

Mr. Razaleigh and his top aides have accused Dr. Mahathir of fostering cronyism and favouritism in awarding large-scale government contracts some of which have gone to companies linked to the prime minister's United Malays National Organization (UMNO). UMNO, with some 1.4 million members, dominates the ruling 11-party National Front which along with its forerunner, the Alliance, has had a stranglehold on political power since independence 33 years ago.

Mr. Razaleigh, 53, who narrowly failed to unseat Dr. Mahathir as UMNO leader when he was a member of the party in 1987, claims the prime minister is doing nothing to unite Malaysia' many races or diffuse ethnic suspicions, prerequisites for stability. He has also criticised Dr. Mahathir, 64, for the federal government's uneasy ties with the east Malaysian states of Sarawak and Sabah where federal officials recently said they uncovered a secessionist plot.

Sabah's Christian-led government swept into power in state polls in July this year after pledging to renegotiate the terms under which the oil-and-timber rich state joined Malaysia in 1963. Top government and opposition leaders were Friday finalising their lists of candidates for the polls.

National Front officials said UMNO was expected to contest 84 parliamentary seats while the remaining 96 are split between component parties with the Malaysian Chinese Association (MCA) taking the bulk with 32. UMNO candidates will come up against those fielded by Semangat '46 and its ally, the Fundamentalist Parti Islam in areas dominated by ethnic Malays. The Democratic Action Party, another member of the Opposition Alliance, will take on the MCA in areas where there are more ethnic Chinese voters, analysts said.

"It is now up to the voters and God," Mr. Razaleigh said Friday when asked to assess his Opposition Alliance's chances of forming Malaysia's next government.

Dr. Mahathir's National Front won a landslide in the last polls in 1986, taking 148 of the then 177 seats in the Dewan Rakyat.

Mr. Razaleigh said his Opposition Alliance was handicapped despite campaigning for several months because of a hostile media. "We have sometimes not been able to get our message across," he added. Mr. Razaleigh has announced plans to ensure straight fights between the National Front and the Opposition Alliance in as many constituencies as possible to bolster his chances of victory.

Deputy Prime Minister Ghafar Baba, campaigning in Northern Ipoh Town, Friday said the National Front's election manifesto would contain "something for everyone. We will generate more business, trade and employment," he said.

Singapore

Formal Diplomatic Ties Established With PRC

BK0410122990 Singapore THE STRAITS TIMES in English 4 Oct 90 p 1

[By Liak Teng Kiat in New York]

[Text] New York—Singapore and China yesterday established formal diplomatic relations, 14 years after Prime Minister Lee Kuan Yew's first visit there. The two countries marked their decision at the United Nations headquarters here yesterday morning (10.30 pm Singapore time) in a simple ceremony attended only by their foreign ministers, embassy officials and a few reporters. With their ambassadors to the UN, Dr. Chan Heng Chee and Mr. Li Daoyu, standing behind them, Foreign Minister Wong Kan Seng and his Chinese counterpart Qian Qichen signed a short joint communique stating their decision to establish diplomatic ties and exchange ambassadors. The signing took just two minutes, concluding with Mr. Wong inviting his Chinese counterpart to "drink a toast to our friendship".

After speaking briefly to reporters, Mr. Qian, who had another appointment, bade farewell to Mr. Wong, who stayed on briefly with the remaining Chinese and Singapore diplomats at a short reception.

The low-key nature of the ceremony, which took place in one of the UN building's function rooms, reflected Singapore's long-held view that diplomatic ties with China are but a formality in view of the substantive economic and political contacts they have built up over the years. The delay was due to early Malaysian and Indonesian fears that Singapore might become a third China, which led Singapore leaders to pledge that the Republic would not set up diplomatic relations with China until other ASEAN countries had done so.

The stage for yesterday's move was set exactly eight weeks ago when Indonesia finally resumed normal ties with China after a break of 23 years. All other members of the original ASEAN Five, with the exception of Singapore, had normalised relations with Beijing years ago. Three rounds of talks were held, beginning from the middle of the year, to settle the details.

The move will have little practical impact on relations between the two countries other than the upgrading of their trade representatives' offices, set up in September and October 1981, to embassies, and an exchange of ambassadors. Neither Mr. Wong nor Mr. Qian would say yesterday when this would take place.

The absence of formal diplomatic relations in the past has in no way affected the development of their political ties. As Mr. Wong told reporters after the ceremony, Singapore and China had had "a very warm and very close relationship". The agreement would simply formalise that relationship. He added that it would "of course help to strengthen further the existing relations".

Mr. Qian said the establishment of diplomatic ties was very significant. Despite the close relationship, ties were "somewhat affected" because of the lack of formal diplomatic ties. He went on to say that with today's agreement, relations between China and ASEAN were entering "a fully developed stage".

It would have a very positive effect on the settlement of regional conflicts, especially the Cambodian conflict, and in maintaining regional peace and security.

Concluding, he said he welcomed the Prime Minister's coming visit to China. Since his 1976 trip, Mr. Lee has paid three other visits there, in 1980, 1985 and 1988.

In an interview with NIHON KEIZAI SHIMBUN published yesterday, Mr. Lee said he would visit China on Oct 16 for talks with Chinese leaders.

Several top Chinese leaders have also visited Singapore, including senior leader Deng Xiaoping in 1978, Premier Zhao Ziyang in 1981 and his successor Li Peng, who went after his August visit to Jakarta to mark the resumption of ties with Indonesia.

The formal upgrading of Singapore's relations with Beijing does not affect its ties with Taiwan. The Government had earlier made clear that Singapore intended to continue using military training facilities in Taiwan and Mr. Li said during his visit that China accepted this. Economic and trade ties between Taiwan and Singapore will also continue, with one minor difference: from last Sunday, the Taiwanese Trade Representative's Office in Singapore was renamed the Taipei Trade Representative Office.

Paper Views Significance of Upcoming Reshuffle

BK0410122490 Singapore THE STRAITS TIMES in English 2 Oct 90 p 26

[Editorial: "Continuity Amidst Change"]

[Text] During his speech on the President's Address to Parliament in June, First Deputy Prime Minister Goh Chok Tong said that there would be no drastic Cabinet reshuffle in November, when he takes over as Prime Minister. "It will be a Cabinet that reflects continuity rather than radical change," he added, reiterating the philosophy he has laid out for managing Singapore's political transition. On Sunday [30 September], Mr Goh gave a major indication of that philosophy in action. The ministerial line-up, which he revealed partially, emphasised continuity while accepting the need for changes. Mr Goh, who effectively has run the country for a number of years, himself will represent a strong thread of continuity, as will the two ministers following him on the protocol list: Mr Lee Kuan Yew, who will become a Senior Minister, and Mr Ong Teng Cheong, who will be appointed a Deputy Prime Minister. The other Deputy Prime Minister, Brigadier-General (Res) [Reserved] Lee Hsien Loong, and the new Acting Minister for Information and the Arts, Brigadier-General (Res) George Yeo, represent the element of change in the next Cabinet.

The importance of a careful balance between the old and the new cannot be over-estimated. Singapore is moving from the politics of survival to the politics of managing success, but there is more in common between the two than is often assumed. The basic facts of Singapore's existence and environment have not changed: The Republic is a small, resource-scarce and multi-racial city state which has to keep pace with international developments over which it has little control. What this means is that the fundamental policies which have transformed Singapore from an economic and political impossibility to a thriving and secure nation will have to be preserved. This does not mean that methods cannot be fine-tuned to keep the policies relevant. The bottom line, however, is that the national direction has to be kept clearly in mind even as, on the path to the future, new signposts are erected here and more resting places are constructed there. And, in building roads, the sense of the destination is a meaningless one without the sense of the starting point. That is where the lessons of Singapore's history are supremely important. They determine what the destination is and how citizens will fare on the national pilgrimage.

In a pilgrimage, the mind is as important as the body. It is, therefore, entirely appropriate that Mr Goh has decided to create a new Ministry of Information and the Arts. The enhanced emphasis placed on such a ministry answers the need for even more skillful mechanisms to explain government policies to an increasingly probing society where the public wants to play a greater role in politics. Under BG [Brigadier General] Yeo, the ministry will help the Government to convey better the complex realities of life in Singapore as well as the Republic's place in the world, smoothing out any apparent policy contradictions which, if left unaddressed, could create cynicism and distrust.

The ministry will enlarge the Government's capacity to cope with feedback, especially in an era when sensitive issues such as race and religion are coming in for more open discussion, in Parliament, at select committees and elsewhere. Singapore's quarrel with a few foreign publications does not obscure the reality of this new ethos of discussion and debate within the country. Along with the need to encourage the arts in creating a more vibrant and gracious society, the atmosphere of debate—as long as it does not become socially disruptive—is an intrinsic part of Mr Goh's vision for Singapore in the 21st century. BG Yeo, as a representative of a younger generation that hungers for more intellectual vigour and greater creative opportunities, is a good choice for the job of heading the new ministry. For he is in the unique position of being able to help them meet the need for greater expression within the framework of the country's tried and tested values system.

Cambodia

Commentary Hails Indochinese Pursuit for Peace

BK0510102490 Phnom Penh Domestic Service in Cambodian 1300 GMT 4 Oct 90

[PRACHEACHON commentary; date not given: "Our Unswerving Stance in Seeking a Genuine Peace"]

[Text] A foreign ministerial consultative meeting of the three countries of Cambodia, Vietnam, and Laos, which was held in Phnom Penh, capital of the State of Cambodia from 28 to 29 September, ended with brilliant success.

This consultative meeting of the three deputy foreign ministers was held when the Cambodian people throughout the country are scoring new achievements in assuming their national defense and construction tasks in this new stage and displaying their unanimous will in firmly supporting the national reconciliation policy and all the measures taken by the State of Cambodia's party and state in the search for a political solution to the Cambodian problem. It was held when the international and regional situation is developing favorably for the promotion of peace and stability in Southeast Asia.

Prompted by the firm foreign policy and goodwill of bringing peace and stability to Cambodia and this region and desiring to accelerate the search for a political solution to the Cambodian problem toward achieving its goal correctly and quickly, the three deputy foreign ministers of Cambodia, Vietnam, and Laos expressed, at the end of their consultative meeting, their active support for the wise, correct, and constructive goodwill of the State of Cambodia and the Cambodian people regarding the Supreme National Council [SNC]. The SNC must be based on the principle of an equitable three-point-formula: Samdech Norodom Sihanouk may become the chairman of the SNC only with Comrade Chairman Hun Sen becoming the vice chairman; two cochairmen may be appointed; or each may takes a turn acting as the chairman. They also called for an early convening of the SNC simultaneously with the cease-fire.

The consultative meeting highly valued and warmly welcomed what had been achieved so far in the process of seeking a political solution to the Cambodian problem, ascribing to it the wise and responsible spirit, concessions, and goodwill of the State of Cambodia's government represented by Comrade Chairman Hun Sen.

The meeting also called for an early reconvening of the Paris International Conference on Cambodia [PICC] as clearly defined in the framework document of the five permanent members of the UN Security Council and the Jakarta joint communique to discuss and conclude a permanent agreement.

Concerning the search for peace in Cambodia, the meeting agreed on the search for all appropriate ways regarding the process for an overall solution to the Cambodian problem on the basis of respect for Cambodia's independence and sovereignty, preservation of the Cambodian people's right to self-determination, and all attempts to bring back the genocidal Pol Pot regime.

These are the concrete and lively actions of the three countries of Cambodia, Vietnam, and Laos, which have always made unreserved efforts to break through the deadlock to seek a correct and fair political solution to the Cambodian problem that all parties can accept.

In addition to welcoming the outcome of the consultative deputy foreign ministerial meeting of the three Indochinese countries, the Cambodian people, once again, appeal to all countries concerned, particularly the five UNSC [UN SECURITY COUNCIL] permanent members and the cochairmen of the PICC, to give more sincere and realistic contributions to pressuring the tripartite Coalition Government of Democratic Kampuchea to abandon all their obsolete tricks and stance, which are the obstacles to the search for peace in Cambodia. They appeal to them to abide thoroughly by the spirit of all the principled agreements agreed upon to quickly end the Cambodian people's misery and suffering, as well as for peace and stability in Southeast Asia.

'Sabotage' of Railway Transportation Reported

OW0410150690 Phnom Penh SPK in English 1100 GMT 4 Oct 90

[Text] Phnom Penh SPK October 4—Transportation on the two railway lines—Phnom Penh Battambang and Phnom Penh-Kompong Som—has been disturbed by sabotage activities of the Khmer opposition troops.

According to a report by the Kampuchean Railway Company, during the first eight months of this year the Khmer bandits on 72 occasions sabotaged the operation of the two railways by mining and derailing trains, opening fire on and plundering passengers. As a result, 13 railway bridges totalling 307 metres were blown up and 5.5 km of rails and five locomotives destroyed.

The cost for the restoration of the destroyed bridges and railway portions is estimated at 500 million riels (Cambodian currency).

The company has so far striven hard to fix them and achieved 52 per cent of the yearly transportation plan in the first nine months of this year. The volume of freight delivered was 1.7 million tons.

The company has imported 10 wagons from Vietnam each costing five million riels. It plans to buy two locomotives from the Czechoslovak Federative Republic next year.

Besides a group of UN representatives have recently made a survey of the railway lines and planned to fund 33 million U.S. dollars for the restoration of the railway portion from Sisophon to Poipet in the Western border area.

Battle Activities for 3d Week in Sep Noted

OW0410142290 Phnom Penh SPK in English 1059 GMT 4 Oct 90

[Text] Phnom Penh SPK October 4—According to military sources, in the third week of September, the government Armed Forces killed 33 enemy troops, captured seven and forced 17 others to surrender.

They also seized 20 rifles and a quantity of other war means.

The enemy troops took the casualties while launching attacks against government positions especially in Kompong Thom and Siem Reap Provinces.

Maize Purchase in Kandal Province Decreases

OW0410155190 Phnom Penh SPK in English 1104 GMT 4 Oct 90

[Text] Phnom Penh SPK October 4—By mid-September this year, the trade service of Kandal Province had bought from the local peasants about 1,750 tons of maize, or only one-tenth of the yearly quota, a decrease of 2,860 tons as compared with the same period last year.

This was due to a poor corn harvest caused by a spell of drought in the early monsoon season, and later by a quick rise in the water level of local rivers which submerged and ravaged large areas of maize along the river banks.

According to the provincial agriculture service, so far the local peasants have gathered 6,000 tons of maize, or only half of last year's output. The provincial trade service expects that this year it would buy only less than half of the yearly plan of 14,000 tons.

VONADK Reports 2,200 New SRV Troops

BK0511060190 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 4 Oct 90

[Text] According to reports from Kompong Speu, Moung-Pursat, and Battambang battlefields, the Hanoi Vietnamese aggressors have successively dispatched to Cambodia 2,200 fresh troops from Vietnam wearing uniforms disguising them as Heng Samrin soldiers.

1. On 10 September 100 soldiers were brought from Vietnam along National Route 2 through Phnom Penh to Kompong Speu provincial town.

2. On 15 September, 600 soldiers were brought from Vietnam through Phnum Den on National Route 2 across Takeo and Phnom Penh cities. They were then taken along National Route 5 and deployed along this road from Svay Don Kev to Moung District seat [Battambang Province].

3. On 28 September, 900 soldiers were brought from Vietnam along National Route 1 and across Phnom Penh, then along National Route 5 through Battambang town and deployed at Sdau and Boeng Ampil on Route 10 [Battambang Province].

4. On 29 September, 600 soldiers were brought from Vietnam along National Route 1 and across Phnom Penh, then along National Route 5 through Battambang town. The troops were then taken along the Thmar Koul Road and deployed at Don Peou Village south of Bavel district seat.

In sum, 2,200 fresh Vietnamese troops were brought to the battlefield of aggression in Cambodia in four days—on 10, 15, 28, and 29 September.

Indonesia

Deregulated Stock Exchange Loses Buoyancy

BK0210074490 Hong Kong AFP in English 0208 GMT 2 Oct 90

[By Endi Bayuni]

[Text] Jakarta, Oct 2 (AFP)—The Jakarta Stock Exchange (JSE), mostly buoyant since its deregulation nearly two years ago, has discovered the downside of the free market system as share prices tumble.

The exchange index plummeted nearly 20 per cent in September, falling below the psychological barrier of 500 last week to close at 464.253. A bull run, unleashed by the government's move to deregulate the market in December 1988, pushed the index to a peak of 681.944 in April, but the fall since then has been gradual, while the September plunge came in jolts.

Brokers believed that the market was not heading for a crash and that the current fall was somewhat expected after the long bull market pushed prices up to artificially high levels. "The market is undergoing an overdue major correction," said one broker.

Prices rallied just before closing Friday and some traders expected this to continue when the market reopens Tuesday, but others feared the index could fall further to 400. The market was closed Monday for a public holiday.

The JSE now trades in scrips from 116 companies and was capitalised at the end of August at close to eight billion dollars, an impressive growth from the 24 firms with capitalisation of under 100 million dollars at the end of 1988. But 45 of those newly listed stocks are currently traded below offering prices, with about a dozen others hovering just above their offering prices.

Among hard hit shares was Canadian nickel subsidiary Inco Indonesia, losing 43 per cent in value, and Indah Kiat Pulp and Paper, whose 347 million dollar listing in July was an exchange record, also shedding 43 per cent in value.

Shares of Astra International, the most widely traded scrip and regarded as the exchange's barometer, has fallen from a peak of 33,000 rupiah when it first hit the market in April to 19,150 rupiah last week. But it is still trading above the initial offering of 14,850 rupiah.

Economists and traders blamed a number of factors, but mainly internal rather than external, for the market fall. Earlier predictions that Indonesia, with its oil-based economy, would be spared from the effects of the Gulf crisis, turned sour as foreign investors, who had helped prop up prices, started to sell their holdings. The government's tight money policy to fight inflation pushed interest rates higher and drove investors away into the money market.

The capital market executive agency (BAPEPAM), which in keeping with the deregulation spirit has tried to limit its involvement, has now been the target of criticism for its hands-off policy. It is blamed for letting too many companies list at the same time or at initial offering prices that turned out to be too high.

The market slowdown has also caused the government to postpone until early next year selling equity of 52 state-run companies at the JSE as part of its privatisation plans, official sources said. But brokers said investors should take part of the blame for the market decline as they pushed share prices high during the initial offerings, noting that many scrips were heavily oversubsribed when they went public.

BAPEPAM has also come under close scrutiny after revelations last month that Bank Duta, one of Indonesia's largest private banks, was in deep financial trouble at the time of going public in April, in violation of a listing requirement for full disclosure. The revelations have raised questions about the credibility of other companies' prospectuses, especially the other 10 listed banks. BAPEPAM Chairman Marzuki Usman, responding to the criticism, said the government was currently reviewing the regulations but he ruled out a change of policy or government intervention.

Exchange sources said, if anything, the government hoped to push forward with its plan to privatise the JSE before the end of the year.

Philippines

Reportage on Mindanao Mutiny Continues

Army Denies Arrest of Soldiers

HK0310100790 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 3 Oct 90

[Text] The Philippine Army leadership today denied reports that 35 soldiers were arrested for involvement in the attempted coup in Mindanao. Reports say authorities arrested them for participating in Operational Plan [Oplan] Kagawasan. The plan is to take over several cities and provinces of Mindanao by taking top military officials of the area hostage as well as seizing government offices. General Oswaldo Villanueva, chief of the 6th Infantry Division in Awang, Cotabato, said the report has no basis. Army spokesman Lieutenant Colonel Benjamin Enrile supported Villanueva's statement as they have not received any report about the arrest of Philippine Army soldiers in Mindanao. They claim that this is mere propaganda.

Armed Forces of the Philippines [AFP] Civil Military Operations Chief Brigadier General Emiliano Templo strongly denied reports that 35 enlisted Army men were arrested in Davao for their involvement in the foiled plan of right-wing forces to take over Cotabato, Cagayan de Oro City, and Davao. He made the denial after he arrived from Davao where he was with AFP Chief of Staff General Renato de Villa. Military commanders had a briefing in the said province. There was no mention of the arrest of 35 Army soldiers. General Templo told DZRH that there are rumors in Davao that right-wing forces are planning a destabilization attempt. According to him, these coup rumors are part of the propaganda ploy of rebel soldiers in order to cause apprehension among the people.

[Begin Templo recording in English] I think that Oplan was designed to, maybe, create apprehension among the people there. And that Oplan was distributed only as a propaganda ploy. As I said propaganda ploy with the design to create apprehension among the public at large. However, among the military in the area, they took it [changes thought], they said this is crazy. It will not happen, you know. And as they reported to the chief of staff, the situation there is very much under control by the military command. I don't know where they got this information. But I know for a fact that there were no members, whether they said 30 Army soldiers were detained. There were no members reported to us as having been detained by any unit. That's why I would like to find out from Mr. Mario Agnote who is the one who wrote this story, and I think the other one was written (Glenda Gloria) and Manny Mogato. Where they got this, this could be part of the rumor campaign that has been going on. And unwittingly perhaps we are taking part in this rumor campaign. [end recording]

Dick Sinchiongco of Mobile Unit No. 6 reports:

[Begin recording] [Sinchiongco] AFP Chief of Staff General Renato de Villa denied reports of a foiled coup attempt last weekend in Mindanao. He also said there is no truth that 35 soldiers were arrested for their participation in the said coup. In his report to President Aquino he said the army that was on its way to General Santos City to talk to its brigade commander was mistaken for rebel soldiers.

[De Villa in English] Well the basis of the charge is because of that document which is called Oplan Kagawasan. And I think this got leaked into the media somehow and a lot of people probably got a copy of this. But the assessment of the senior commanders there in the area is that this is most probably a psychological move only without any real massing behind it.

[Sinchingco] De Villa explained that military authorities in Mindanao carried out precautionary measures in view of the said report or rumors of a new coup attempt by rebel soldiers. [end recording]

House Leaders Condemn Uprising

HK0410142790 Quezon City Radyo Ng Bayan in Tagalog 1250 GMT 4 Oct 90

[Italicized portion in English]

[Text] The leaders of the House of Representatives have condemned and called criminal and treasonous the *attempt by right-wing military rebels to take over key* *military installations in Mindanao and vowed that government will put down the rebellion at whatever cost.*

Acting speaker Antonio Cuenco and other House leaders met late today in an emergency meeting called for by the president in Malacanang regarding the situation in Mindanao. Cuenco declared in Congress that the loyal armed forces ensured it will use all means and motivation to put down the uprising.

Army To Confront Rebels 'Soon'

HK0410135590 Manila Radio Veritas in Tagalog 1300 GMT 4 Oct 90

[Text] An undetermined number of tanks, armored personnel carriers, and additional military equipment have arrived in Manila to support the Armed Forces of the Philippines [AFP] and in anticipation of anything that could happen.

The AFP has also started airlifting light tanks and troops to Southern Mindanao. Here is the deputy spokesman of the AFP, Colonel Manuel Tandoc:

[Begin recording in English] The other forces under the 402d Engineering Brigade and the 4th Infantry Division Philippine Army have already consolidated, ready to make their moves against Noble. Also forces from other parts of the region have completed their movements and will engage Noble's forces soon. [end recording]

De Villa Sends Message to Noble

HK0410142390 Manila Radio Veritas in Tagalog 1300 GMT 4 Oct 90

[Text] AFP [Armed Forces of the Philippines] chief of staff General Renato de Villa confirmed that forces of Noble and Canoy of the Mindanao Independence Movement have joined forces. Noble's forces passed by several radio stations in Butuan and Cagayan on their way to Camp Pintoy, seven kilometers from Iligan.

Meanwhile, the AFP chief had earlier ordered a pursuit against Noble's force and at the same time an end to the rebellion. It was reported that De Villa sent a taped message urging Noble to surrender to avoid violence.

[Begin De Villa recording in English in progress] ...with their political objectives and to declare the independence of Mindanao. I repeat to our people: We cannot allow this to happen. We will not allow this to happen. We will take whatever is necessary to prevent this from happening. [end recording]

Meanwhile, De Villa said the rebels in Butuan are headed by 53d Battalion executive officer Major Agapito Serdenio and a certain Vicenter Mauro Batac.

National Security Adviser Rafael Ileto stated there is a possibility for the movement to spread to the north. The rebel leaders reportedly said there is no plan to spread the movement all the way to Manila.

De Villa Holds News Conference

HK0510074190 Quezon City DWDD Defense Department Radio in Tagalog 0610 GMT 5 Oct 90

[News Conference by Armed Forces of the Philippines (AFP) Chief of Staff General Renato de Villa at the AFP Commissioned Officers' Club, Camp Aguinaldo, Quezon City—live, monitored in progress; in English, italicized portions in Tagalog]

[Text] [De Villa] Noble and Canoy and their followers are still inside Camp Evangelista, where forces or troops loyal to the government are also located in separate parts of the camp.

An air strike has been conducted this morning in Bangkati, Butuan City at the headquarters of the 402d Brigade of the Philippine Army at the request of General Dubang, the commander of the Southern Command.

The air strike was conducted by T-28 attack aircraft launched from Mactan Air Base. The result on the ground that has been indicated so far is as follows: one howitzer, one armoured vehicle, two trucks, the main building, and the communications building were destroyed. And the forces or rebel elements of Noble, whom he has left there to guard this place, have scampered away.

I have just directed the Philippine Constabulary, which has a provincial command in the area to move to the camp and determine if there are still rebel elements left there. This action is going on right now.

In other parts of Mindanao, as I have reported very early this morning through the radio, the present movement against the cities of Cotabato and Davao did not materialize and no one moved to take action against our units and our forces or against the government in this area.

We have also monitored the rest of the regions of the country and we have to report that the situation in all other regions remains peaceful and the government is not disturbed. The population is going about their normal activities with the local government officials in full control of the administration of their government units.

[Reporter] Thank you, sir, for the follow-up. What is the situation now in Camp Evangelista in Cagayan de Oro City?

[De Villa] *Like I said, Joe, Noble is still there, Canoy and their followers also. They are not taking any action and are not attacking our forces, who are inside the camp but in separate buildings. They have set up defenses around the camp, especially at the main gate and around the building they occupy.*

We do not know what their moves in the next hour or few days will be, but we are monitoring and guarding their movements.

[Reporter] [passage indistinct]

[De Villa] I believe so, Rodney. And at this time, I suppose we still have a very demoralizing effect, on the part of the Mindanao Independence Movement led by the Canoy-Noble group.

[Reporter] Good afternoon, General De Villa. Early this morning or earlier today, sir, in the Congress forum, you know this morning, several leaders of both houses of Congress have stated that they feel that the situation should be resolved as soon as possible and will probably give Colonel Noble an ultimatum. Now, with the bombing that occurred this morning on Bangkatı, does this mean that you are trying to send or do you intend to give him an ultimatum? Does this bombing then mean that you are trying to send a signal to Noble that he should just give up or die?

[De Villa] We consider it a continuing operation the moment they launched their attack and therefore we will keep it that way. We are defending our government. We are stopping the secessionist effort of these two and our efforts are directed at suppressing the armed force that they have.

[Reporter] One follow up question, sir. Do you have any intention of negotiating with Colonel Noble?

[De Villa] No.

[Reporter] Thank you, sir.

[Reporter] Sir, good afternoon. There were reports that there has been an evacuation in Cagayan de Oro City, particularly in Camp Evangelista. How true is that report, sir.

[De Villa] We have received that report and we believe it is accurate. I think that the families of some of the soldiers and the officers in the area have evacuated the place as well as the civilians who may be residing inside and immediately around Camp Evanagelista. We assume that they are weary and concerned that a fight might erupt between government forces and the Canoy-Noble forces inside the camp. And I am sure that they do not want to be caught in the crossfire.

This is well and good for us because we worry, really, about civililan casualties everytime we go into battle with forces that threaten our government.

[Reporter] You said yesterday that General Sol was waiting inside Camp Evangelista for Noble to come or there will be a fight. But it seems that Noble marched towards the camp without firing shots. What really happened to General Sol, where is he now?

[De Villa] *We have not yet talked to General Sol. He has not called me. And his whereabouts have not been reported by any of the units that are still intact inside the camp.*

What happened is that his chief of staff, a certain Colonel Abroque, talked to Noble when Noble was at the front of the camp, at the gate, and eventually allowed Noble to come in and joined him in the headquarters building of the 4th Division, together with a certain Major Brio and one captain and one lieutenant.

At that particular time, this was about 1:30 [0530 GMT] in the afternoon yesterday, General Sol was no longer in effective command of the unit. And we learned about this, we relieved him of his command and designated Brigadier General Antonio Naling as acting commander of the 4th Division.

General Naling, however, is based in Iligan City, as the concurrent or the incumbent commander of Task Force Diamond.

[Reporter] Do you think that General Sol has gone over to the rebels or do you think he is a prisoner of the rebels, and secondly, I wonder if you could tell us if your plans will be launching an attack against the rebel position in Cagayan de Oro.

[De Villa] We cannot believe that General Sol is in rebel hands. We do not believe that he is also cooperating with them. And he is probably with his men somewhere in the camp. But he has not launched his own attack for reasons that I cannot determine as of now.

In regard to our plan to suppress the rebellion or to recover Camp Evangelista, I am sorry, ladies and gentlemen, we cannot discuss military plans before they are launched.

[Reporter] *(Cesar Apres) from Bombo Radio, sir. Sir, the stock market reportedly crashed as a result of the Mindanao incident. Can you please give us an idea how long it will take to neutralize Noble's forces, and, from your assessment, the fighting capability of Noble's forces in Camp Evangelista?*

[De Villa] Noble has 200 men more or less, all armed with assault rifles, M-14's, M-16's, Garand rifles. They also have three armored vehicles, three Howitzers—105-mm Howitzers, and recoilless rifles.

But in our preparations, we are taking into consideration the strength of this force and their courage. But this is only a small force as far as military battle is concerned and when compared to the government forces in the area.

You are asking me when this situation will end. What I can tell you is we will resolve this as soon as possible.

For all intents and purposes, the rebellion, the secessionist rebellion of Canoy and Noble is finished. What remains to be done is simply to recover the camp and neutralize their forces.

I say this ladies and gentlemen because there are no more supporters of these two people, whether in the military or in the civilian sector, and what they have expected to happen has not happened and will not happen in Mindanao.

[Reporter] Buddy dela Cruz, sir, of the PHILIPPINE STAR. Since you said there will be no negotiations with

Noble, what action do you intend to take should Noble and his men just stick it out there at the camp without taking any action?

[De Villa] They will all be arrested.

[Dela Cruz] What if they will put up a fight?

[De Villa] If they will put up a fight, it is unfortunate. But they will be defeated. Incidentally, I have issued an order to our forces in the area and specially to General Dizon to direct his forces to arrest Canoy and all officials and followers of the Mindanao Independence Movement and to detain them until further order.

[Reporter] Sir, regarding the operation going on in Butuan, do we have body counts already? Number of casualties wounded, dead?

[De Villa] Negative. We have not had any firefights with any of them yet, except for the action of the Air Force this morning in Bangkasi.

[Reporter] And there were no reports of casualties in the bombing?

[De Villa] The report given to us by the pilots was to the effect that after they have made persuasion flights, the troops of Noble abandoned the camp and they just destroyed the equipment.

We will know it as soon as the PC [Philippine Constabulary] shall have taken over the camp.

[Reporter] Thank you, sir.

[Moderator] Bobby Burgos, MANILA STANDARD.

[Burgos] Good afternoon, sir. Sir, before the Mindanao situation deteriorated, the military commander in Agusan has been telling the media that they were closing in on the renegade, Colonel Noble. What happened? Why was he able to come down from his mountain lair and takeover two camps just that?

[De Villa] I explained this to a group of congressmen earlier this morning in Malacanang. The operational area, which Noble and his Higaonon tribesmen followers occupied, is a very thickly forested and rugged area of more or less 40 square kilometers. And in the later part of the operation after our forces or troops have occupied Salug, and Noble and his group moved to this area, the commander in the area, General Sol, believed that Noble has fortified his position with his Higaonon followers and they were poised to attack the position that just been located.

Unfortunately, somehow Noble was able to leave the area undetected with a small group, perhaps some men and a small group of former Cafgu [Citizen Armed Forces Geographical Unit] and went down to the vicinity of Butuan City, where he assembled elements of the 53d Infantry Battalion, who defected to his side and then caught Colonel Hercules Galon, the commander of the 402d Brigade by surprise, and immediately took over the camp.

It is entirely possible that they have passed through an area where we had no troops. Very frankly, when the report that they had cordoned the area was made, it did not really mean a shoulder to shoulder cordon, because in military operations, you just deploy your troops or your units in certain areas that are of strategic value.

So knowing very well the terrain and having Higaonon followers who have lived in that area all this time, what could have happened is that he has gone down undetected. Even after he has left there were skirmishes still going on in the area with the armed Higaonon tribesmen that he must have left behind to keep our troops busy.

To the best of my knowledge based on an analysis of what happened, this is what we can say about it. But we will never know until we shall have ended this, and we shall have investigated it and have gotten people who have been involved to tell us exactly how they did it.

[Reporter] You said sir, that there will be sanctions against some military officials involved in the operations against Noble.

[De Villa] It depends on what will be discovered after the operation and the investigation that is part of it.

[Moderator] Aida Gonzales, Channel 13.

[Gonzales] General, do you still believe as of this moment that Noble and his group will not be able to get support from local officials from northern Mindanao and from MNLF [Moro National Liberation Front]?

[De Villa] All the local officials not only of northern Mindanao, but of the whole of Mindanao have already come out openly, publicly, and made a statement that they remain in support of our Constitution, they remain in support of our national leadership, and they remain fully committed to the performance of their duties as officials, elected officials of our government.

This afternoon, I heard it with my own ears from the congressmen, and specifically from one congresswoman from Mindanao, that all congressmen of Mindanao are against this move of Noble and Canoy and fully support the president and her government.

Now, where else can Noble and Canoy get political support?

[Gonzales] Another question, sir. *Are there reports stating the military troops hunting Noble have now joined him? Is that true?*

[De Villa] *As I said earlier, he was able to assemble about 200 soldiers from the 53d Infantry Batallion, 58th Infantry Batallion, and 9th Infantry Batallion, who believed and joined him. There is a unit from the 53d* *which was with the operation, but those who joined him were not those involved in the operation.*

[Gonzales] Thank you very much, General.

[Moderator] Evan.

[Evan] General de Villa, I would like to know how many helicopters he has. There is a report that there are not as many as before. Can you give us an idea of how many he still has and also if you can give us an idea of the strength of the tribesmen who are with him as his allies, and a breakdown, perhaps, of the 53d and 58th?

[De Villa] Are you talking of helicopters that Noble has?

[Evan] Yeah.

[De Villa] Initially, when he took over the headquarters of the 402d in Butuan City, there was a Huey helicopter and a Sikorsky helicopter gunship. He took these helicopters using rebel pilots that have been underground and have remained unrestrained. This is Lieutenant Panelo and Lieutenant Tamaco, no, Colonel Tamaco. And they flew these helicopters early yesterday, but the Sikorsky helicopter landed in Iligan in one of the camps. And the Air Force conducted an air strike, launched from Mactan Air Base, had seen this helicopter and disabled it on the ground. [sentence as heard] The other helicopter which is a Huey, I do not believe it has been located. It is still unlocated but is no longer flying in the area.

There are three helicopters on the ground in Camp Evangelista, but none of these can be flown because the crew and the pilots have extricated themselves and reported to their mother units outside the camp.

Those are about all the air assets that Colonel Noble has been able to acquire at this time.

The other question is...what was the other question?

[Evan] About the tribesmen who allied with him.

[De Villa] There were two leaders who joined him from the tribesmen and these are Mr. Lilang Mangpatiwan and Mr. Deo Mangmatilan. And we estimate that they probably have anywhere from 50 to 100 men each. And these are the men who were left behind in the former operational area of Oplan [Operation Plan] Highlander.

[Moderator] Eloi Aquino of DZRH.

[Aquino] Good afternoon, General. Sir, you said earlier that there were no reports that General Sol is in the hands of the rebel forces. *Supposing General Sol is now in the hands of the rebel forces—I hope not—what course of action will the military take, sir?*

[De Villa] We will proceed with our operation, *but we are sure he is not in the hands of the rebels.*

[Reporter] Sir, the elements of the 402d Brigade, the 4th ID [Infantry Division], and those other military divisions that you had in the south who joined Noble were with government troops before they went to the other side. Do you have a way of knowing if any other government troops, as they are considered now, that will turn their backs on the government and join Noble?

[De Villa] As of this moment, all our units are holding, and what I mean by that is in relation to their loyalty, to just one duty—to support the Constitution and the government and the chain of command of the Armed Forces.

We do have an effort to detect if any other personnel may have left their units with the intention of joining Noble. But so far we have only detected about a platoon of soldiers from the 23d Infantry Battalion who deserted their unit in Iligan and most probably joined Noble. Other than that, we don't have any defection.

[Reporter] We are on live on Channel 7 where we are being viewed nationwide, if you have a message to ex-Colonel Noble what would it be?

[De Villa] You have committed a very very big mistake and an offense against the Filipino people by joining Mr. Canoy in his wild dreams of seceding from the republic or taking Mindanao out of the Philippine Republic and establishing your own republic, the so- called Federal Republic of Mindanao.

It cannot happen. It will not happen, and we will not allow it to happen.

[Reporter] Sir, based on your report, could you give us the [word indistinct] scenario over the 402d Infantry Division headquarters right now, and if it has been already been recovered totally by the government troops; who is leading the headquarters right now?

[De Villa] I think you are a little late. We have covered that area. We said the Air Force conducted an air strike this morning, and I have directed the chief of the Constabulary to use PC forces nearby to occupy it immediately. And probably by tonight we will get a report from the Constabulary, what they have done with this mission.

[Reporter] Under General Naling, sir.

[De Villa] No. The Philippine Constabulary command... [changes thought]. Cesar will you explain the set up of the PC command in recom [regional command] 10.

[An unidentified woman's voice says: Cesar is General Cesar Nazareno, the PC-INP chief]

[Cesar] [Words indistinct] to regional commander of region 10, that stays also in Cagayan de Oro but in the other part of the city to conduct a ground assessment of the air strike that was conducted sometime this morning. And he will take over the facilities there at the 402d Brigade at Bangkati Airport. This is being done by the provincial commander of Agusan del Norte based in Butuan City.

[Reporter] General, are you convinced that this is not part of a larger plan for a military rebellion in other parts of the country? Are you convinced that Noble would only go to get an independent Mindanao?

[De Villa] We have in fact been aware for some time now of the plan of the RAM-YOU [Reform the Armed Forces Movement-Young Officers Union] in collaboration with the MNLF and the MIM [Mindanao Independence Movement] to launch a pocket rebellion in Mindanao, in certain parts of the Visayas, in the Bicol region, and here in Luzon to isolate Metro Manila and force the president to resign. And if not to attack Metro Manila and forcibly takeover the government. But this is a piece of paper. This is a plan, this is a dream to some of them. And we have been aware of this for some time now, even our leadership in the country is aware of this. Even the public here in the Philippines is aware of this because this has been what they have been attempting to do all these years since 1986.

But we have been telling them again and again it will not work. The people will not accept it. The Armed Forces will resist it and prevent it. It will never succeed.

[Reporter] Just a follow up on that. You think that RAM is involved in this current interruption in Mindanao?

[De Villa] Certainly.

[Reporter] To what degree and which members of RAM?

[De Villa] We are 100 percent certain that the leadership of the RAM is involved here.

[Moderator] Vera Sta. Cruz, (DZXL).

[Sta. Cruz] Yes. Good afternoon, sir. Will you allow some local or even national government officials or even private individuals to be an instrument for peaceful surrender of Noble's group?

[De Villa] That will depend upon the circumstances and the personalities involved. But right now our order is to retake the camp and capture all of them.

[Sta. Cruz] Sir, another question. If Noble's group plus his civilian supporters decide not to vacate the camp and worse comes to worse, are you going to utilize the ultimate recourse with his force even with the presence of civilian supporters, sir?

[De Villa] We have warned all the civilians and we warn them now that all civilians who do not want to be involved in this fight, in this coming fight—there will be one—should vacate the camp, so that they will not be caught in the crossfire. And we will assume that those who remain will follow Noble and Canoy to whatever will be the outcome of this operation.

So, I hope that the civilians will get out of the way. And let those directly involved in this be the ones responsible for their action.

[Reporter] Thank you very much, sir.

[Moderator] (Tess Sta. Ana), please.

[Sta. Ana] Sir, have you confirmed reports that MNLF regulars have joined the troops of Noble.

[De Villa] We have knowledge that the RAM-MIM-Noble had been trying to forge an alliance with the MNLF for sometime now. But we see no indication, up to this minute, that the MNLF is intending to or is actually joining this pocket rebellion.

[Sta. Ana] Sir, *one question. For example, if Gringo Honasan's group takes advantage of what is happening in Mindanao, how prepared are the Armed Forces of the Philippines?*

[De Villa] We are fully prepared for any action that may take place anywhere in the Philippines.

[Reporter] Sir, *are you aware of an order issued regarding a need to watch our seas, northeast and southeast of Mindanao or around that area? What is the latest on this, sir?*

[De Villa] We have ordered the Philippine Navy to guard the waters of Mindanao and not to allow rebels to slip through their posts; and if there are insistent sea vessels, to disable them if they put up a fight, to sink them.

Maybe we should ask the flag officer of the Philippine Navy and know what has happened to this order.

[A voice of an unidentified woman identifies the speaker as Navy Admiral Leandro of the Philippine Navy]

[Leandro] [Words indistinct] jurisdiction of that area there. He has dispatched a task force to that area consisting of one patrol craft escort and then one [word indistinct] in a bid to augment the commanding naval district which is based in Cebu City. On our own here at headquarters we directed another patrol craft to proceed to the area immediately; and so far, it is going there from Manila and should arrive in the area early tomorrow morning. But there are three patrol craft that are already stationed in the area and are effecting the mission.

[Reporter] Thank you, sir. May we know the other commands, for example the Army, what they have done about the ground operations and also the Air Force, what has it done about air operations in the area?

[De Villa] Let us give it to Gemmo.

[A voice of an unidentified woman identifies speaker as Major General Gerardo Flores, the Philippine Army chief]

[Flores] [passage indistinct] Now in the Visayas and here in Luzon, our units are also intact and conducting, performing their mission in the respective areas. So, except for that small portion of the 53d ID and some elements of some battalions in Region 10, all the battalions, brigades, and divisions are still performing their mission and have pledged support to the Constitution and to the government. That is all I can say.

[Unidentified speaker] Well, as far as the Air Force is concerned, the 3d Air Division under General Supnet is the one in charge of the overall air operations in northern Mindanao. He is also closely working with General Dizon.

In addition to that, the 2d Air Division under General Akot in (Baslig) Camp over in the Visayas are also providing air support. As far as the Air Force is concerned, we do not see any problem at the moment. We have enough forces there and I do not think the air force at the moment is encountering any problem now and even in the days to come.

[Reporter] General Protacio, sir. Could you give us an idea of what kind of aircraft you are employing in the area?

[Protacio] In Mactan, we sent an [words indistinct] F-5 fighter this morning and we may even send this to Zamboanga if necessary. [Words indistinct] The gunships now operating there are comprised of Tora Tora, Sikorsky in the Mindanao area, the F-5 and the Tora Tora and also the Sikorsky coming out of Mactan. [as heard] So, we have sufficient firepower right now in both air divisions.

[Moderator] Arnie, please.

[Arnie] General, you stated earlier that you still believe that General Sol has not defected to the side of Colonel Noble, but you also said that for the past three days you have not been in touch with General Sol. Have you received any indication that might reaffirm that General Sol is still with the government side?

[De Villa] Yes, because we have identified all of the options [as heard] from Camp Evangelista who have actually joined Noble; and we have information that General Sol is in safe hands, and I know that General Sol will not defect.

[Moderator] Sir, would you like to issue a general statement?

[De Villa] Well as a general closing statement, ladies and gentlemen, I would like to thank all of you for giving us this opportunity to meet our people through your media and to inform them of the very latest development in regards to the Noble-Canoy secession misadventure.

I wish to assure our people that the Armed Forces of the Phlippines will remain on top of the situation and prepared to handle any armed threat that may hereafter come about as a result of this action going on right now. And I wish to assure our people also that our Armed Forces of the Philippines will remain loyal to our Constitution, to our duly constituted government and our chain of command, from the commander in chief down. And we will do our best always in performing our sworn duties. Thank you very much.

Charges Asked Against Noble, Canoy

HK0410150590 Quezon City Radyo Ng Bayan in Tagalog 1420 GMT 4 Oct 90

[By Jim Belasano]

[Text] Defense Secretary Fidel Ramos asked Justice Secretary Franklin Drilon to file charges of rebellion and sedition against renegade Colonel Alexander Noble and MIM [Mindanao Independence Movement]'s Ruben Canoy and their followers. Secretary Ramos made the request during a news conference held at Camp General Emilio Aguinaldo after arriving from a six-day conference in Seoul, South Korea. The Seoul conference was attended by war veterans and defense ministers from Asia.

According to Defense Secretary Ramos, almost all of the provincial governors and mayors in 22 provinces [as heard] are in full support of the Aquino government. Here is Secretary Fidel V. Ramos' statement:

[Begin recording in English] The first act upon arriving was to request the Secretary of Justice, Secretary Frank Drilon, to immediately file charges of rebellion and sedition against Mr. Ruben Canoy and others who are providing support to Alexander Noble.

A piece of evidence is already submitted to the Department of Justice by the Department of the National Defense as well as a case on the actions of Ruben Canoy and Alexander Noble today in Agusan and in Misamis Oriental [words indistinct].

I am also warning now the MNLF [Moro National Liberation Front] and the CPP-NPA-NDF [Communist Party of the Philippines-New People's Army-National Democratic Front] to desist from exploiting the situation in northern Mindanao for the purpose of reinforcing or joining Noble because our units in Mindanao are prepared to prevent any movement on the part of the seccessionist forces as well as reinforcement forces.

I would like to inform you that I have reiterated these previous instructions to them by Secretary Santos of the local government who is the chairman of the National Peace and Order Council system [words indistinct].

As requested by different commanders in Mindanao, the local peace and order councils must rally the people behind the government and support the Armed Forces of the Philippines in the action that we should not fail to neutralize the threat of Canoy and Noble. [passage indistinct] [end recording]

Reaction to Criticism of Laurel

HK0410110590 Manila Manila Broadcasting Company DZRH in Tagalog 1040 GMT 4 Oct 90

[Statement by Ike Gutierez, Vice President Laurel's spokesman as read by DZRH anchorperson Rey Langit—in English]

[Text] Press Secretary Buddy Gomez should stop clowning with null issues. The fact that the vice president left for the United States last October 2d on a private visit is a non-issue in the wake of the ongoing crisis in Mindanao.

By fiddling groundless and nasty perceptions on the vice president, Secretary Gomez is not helping stabilize the situation any. What is crucially at issue now and to what the vice president has expressed deep concern is how to avert bloodshed and achieve peace in Mindanao.

I am monitoring the developments to the vice president. He will issue a formal statement shortly.

Signed: Ike Gutierez.

Mindanao Republic Declared

HK0510032390 Quezon City DZEC Eagle Broadcasting Corporation Radio in Tagalog 0230 GMT 5 Oct 90

[Report by Norman Santos, Cagayan de Oro correspondent; monitored in progress]

[Text] [Santos]...that he is there inside the camp, but it is not known whether he is a hostage or what his condition is. There is no assurance on this.

[Anchorman] Who is the provincial commander in Camp Alagar?
[Santos] The provincial commander is Colonel Amarkan.

[Anchorman] Colonel Amarkan. Where is he now?
[Santos] We do not know.

[Anchorman] Has the provincial commander issued any statement to the media or to anybody there?
[Santos] The PC [Philippine Constabulary] quarters are peaceful.

[Anchorman] What are the police doing there?
[Santos] They are silent about this.

[Anchorman] But are they manning the traffic situation? Is there heavy traffic there?
[Santos] There is almost no traffic here.

[Anchorman] Why are the soldiers' families in Camp Evangelista evacuating?
[Santos] The soldiers are not taking any chances because if government forces decide to take Camp Evanglesita by force, their families would be safe.

[Anchorman] In Camp Alagar, is there any evacuation of the PC, policemen, or soldiers' families?
[Santos] I do not know because I am on standby here at Camp Evangelista.

[Anchorman] Are the people's daily activities normal as usual, no panic buying, no hoarding?
[Santos] At present, trading is alright, although other people are buying more goods, maybe because they have more money. Others buy fewer goods, that is all their money can buy.

[Anchorman] We have not received any reports on the events in Iligan from Ruben Dasmarinas, our correspondent there. Have you not monitored anything from Iligan? Are the radio stations reporting on other events in other parts of Mindanao, in other provinces there?
[Santos] At present, there are no untoward events being reported about Iligan.

[Anchorman] Are the operations by radio stations, newspapers—the local newspapers there.... Are the television stations also normal?
[Santos] Yes they are normal.

[Anchorman] How are their reports? Are they also reporting on happenings in other parts of Mindanao?
[Santos] Well, it is being reported that the situation is normal in other parts of Mindanao. Peaceful.

[Anchorman] Are there any statements from the comrades of the rebel soldiers on the air or on television or distributed to local newspapers there?
[Santos] Well, the first that was published was the declaration of Mindanao as a federal government—the Federal Republic of Mindanao.

[Anchorman] Who issued the declaration?
[Santos] It was published by the MINDANAO POST.

[Anchorman] The MINDANAO POST published it. But who issued the statement declaring the Federal Republic of Mindanao? Was it Canoy or Colonel Noble?
[Santos] I do not know who made the declaration, but the report is pointing to Colonel Noble.

[Anchorman] Was there any statement by Colonel Noble on television or radio, live?
[Santos] Yesterday he stated that he came here peacefully and there is nothing the people should be worried about, and that he cares about Mindanao and that Mindanao is for Mindanao.

[Anchorman] This was his statement on a radio station. What station is this?
[Santos] He was interviewed over DZXL.

[Anchorman] Was that live?
[Santos] Live.

[Anchorman] Thank you Norman. That was Norman Santos, our correspondent from Cagayan de Oro.

Appeals for 'Recognition'

HK0510133390 Manila Radio Veritas in Tagalog 1300 GMT 5 Oct 90

[Text] The Department of Foreign Affairs called on foreign embassies not to recognize the Federal Republic of Mindanao. The foreign embassies had received letters appealing for the recognition of the government junta formed by Noble and Canoy in Mindanao. According to acting Foreign Affairs Secretary Manuel Yan, the Philippines does not acknowledge attempts which divide its territory. He emphasized that the declaration is illegal, false, and unlawful.

Noble Still in Camp Evangelista

HK0510023190 Quezon City DZEC Eagle Broadcasting Corporation Radio in Tagalog 0200 GMT 5 Oct 90

[By William Ismael, Cebu City correspondent]

[Text] [Ismael] I heard that in Manila, people do not know where Colonel Noble is now because they allegedly heard yesterday that Colonel Noble left Camp Evangelista and went to another place, like Cotabato. This is not true. In fact, Colonel Noble is still in Camp Evangelista in Cagayan de Oro City and allegedly, he is even having a feast.

There will be a dialogue between military officers, government officials, and Colonel Noble, together with those from the religious sector.

[Anchorman] What time will the dialogue take place?

[Ismael] Maybe this morning or this afternoon.

[Anchorman] Where will this be held?

[Ismael] It is not yet known what time will they hold the talks.

[Anchorman] No. Where will they hold the dialogue?

[Ismael] Inside Camp Evangelista itself.

[Anchorman] And these are religious and government officials. Who initiated this dialogue?

[Ismael] Governor Vicente Emano of Negros Oriental and if rumors are true, there may be some military officials.

[Anchorman] What is the situation in Cebu in relation to the incident in Mindanao?

[Ismael] Cebu is peaceful. The situation is normal, although military officials here had an order, specially by the Coast Guard that no ship will depart for Cagayan, Butuan, Surigao, and Iligan.

[Anchorman] Are there any ships that are able to come to Cebu from the said places?

[Ismael] At present, I am not aware if there are ships from those places bound for Cebu. Yesterday's order was that no ships could leave Cebu for Cagayan, Iligan, Surigao, or Butuan, to prevent Noble's sympathizers from entering those areas.

[Anchorman] Are flights for Cebu cancelled?

[Ismael] No planes were also allowed to fly to Butuan, Iligan, Cagayan, or Surigao.

[Anchorman] Totoy, our colleague here has something to ask you.

[Totoy] It seems that you are able to get reports from the place being occupied by the rebels. What is the report on General Sol?

[Ismael] There is no report regarding General Sol since yesterday when he left the camp. We have yet to receive any more reports regarding General Sol. He has not spoken to Colonel Noble. Colonel Noble wanted to speak to Brigadier General Sol.

[Totoy] Thank you. [end recording]

Cagayan de Oro Fighting Denied

HK0510042390 Quezon City Radyo Ng Bayan in Tagalog 0345 GMT 5 Oct 90

[Italicized portions in English]

[Text] [Anchorwoman] We have heard from our colleagues that government forces and rebel soldiers are engaged in a firefight right now. We tried to contact Colonel Rimando but we were only able to talk to Colonel Manuel Tandoc, his deputy spokesman. But before Colonel Tandoc responds to our inquiry, he wants to read a bulletin. So, good morning, Colonel Tandoc. What can you say about this report that there is fighting now in Cagayan de Oro?

[Tandoc] I have just spoken to General Biazon in Mindanao and there is no report on such fighting. That is not true. Now, there is this *Bulletin No. 1 as of early this morning and Bulletin No. 2 as of 9:00 this morning. I would like to inform our people by having this bulletin known to them. The first bulletin as of early this morning is the AFP [Armed Forces of the Philippines] position on the establishment of the Federal Republic of Mindanao and the declaration of independence. And this is the Armed Forces stand:*

The Armed Forces of the Philippines totally rejects the establishment of the so-called Federal Republic of Mindanao, the independence of which was declared in the letter of ex-Lieutenant Colonel Alexander Noble and Attorney Reuben Canoy dated 4 October this year.

The creation of the so-called Federal Republic is unconstitutional and will only divide the nation. Noble and Canoy, known to be leaders of the pocket rebellion in Cagayan de Oro City, do not represent the people of Mindanao and the other areas that they claim compose the Federal Republic.

The Armed Forces of the Philippines will not permit the country to be dismembered by rebel forces who wish to govern the southern Philippines under a joint military-civilian governing council.

It is the duty of the men and women of the Armed Forces of the Philippines to defend the nation and protect the people. Through the chain of command and in the performance of this duty, the Armed Forces of the Philippines is prepared to meet this latest challenge to the duly constituted government and our democratic way of life and decisively engage the forces of Noble and Canoy.

That is the bulletin as of early this morning. As of 9:00 this morning, Bulletin No. 2 was released at the battle staff in Camp Aguinaldo. The first is:

A report reaching Camp Aguinaldo this morning revealed that Colonel Hercules Galon, commanding officer of the 402d brigade escaped from Camp Evangelista, Cagayan de Oro City where he was being held by fugitive Lieutenant Colonel Noble.

[Interview taken over by an anchorman] Colonel, may I interrupt you on that part of your report? We have learned from reports in Cebu that General Sol is allegedly on his way to Manila from Cebu. What can you say about this? The statement came from General Zulueta.

[Tandoc] Yes. On the second paragraph, General Sol will be mentioned.

[Anchorman] We have to cut you, Colonel, to give way to a report by Radyo ng Bayan, DXIM, Cagayan de Oro City.

Talks With Noble End

HK0510044190 Quezon City Radyo Ng Bayan in Tagalog 0350 GMT 5 Oct 90

[By Arnold Ricote, Cagayan de Oro City]

[Text] There is no verification regarding the spreading news in Manila about an ongoing battle between government forces and followers of former Colonel Alexander Noble. However, just a few minutes ago, a news conference and the dialogue between Colonel Alexander Noble, Governor Vicente Emano of Misamis Oriental, and Monsignor Ray Monsanto of Cagayan de Oro ended. There was a statement by Noble recently that he entered Cagayan de Oro not through violent means and that he wishes peaceful negotiations. He further added that he is in control of his followers and will not resort to any violence in the city.

During the negotiation, former Colonel Noble presented some demands and these are being studied by the honorable governor and the monsignor.

I repeat, there is no attack or fighting here in Cagayan de Oro City up to this very minute. We will let you listen to the taped news conference and the dialogue later.

Military Starts 'Operation'

HK0510060790 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0535 GMT 5 Oct 90

[Text] The military has started an operation against Noble's forces. The first target of bombing was the headquarters of the 402d Infantry Brigade, the first camp taken over by Noble's group.

In Cagayan de Oro, no actual offensive has been reported yet but government forces are already preparing for attack.

Government Planes Attack Camp

HK0510035390 Hong Kong AFP in English 0340 GMT 5 Oct 90

[Text] Manila, Oct 5 (AFP)—Air Force planes launched an attack on a rebel-held military camp in the southern city of Butuan Friday as the government continued an airlift of troops and war equipment to the area, radio station DZXL said in an eyewitness report.

Two T-28 planes strafed the 402d Army brigade headquarters which fell into the hands of military rebels overnight Wednesday, the station said. There were no immediate reports of casualties.

Air Force Continues Bombing

HK0510050990 Hong Kong Commercial Radio in English 0430 GMT 5 Oct 90

[Text] The Philippine Air Force has launched an attack on rebel positions in the southern island of Mindanao, but as Ronnie Nathaniels reports from Manila, any ground operations are likely to be met by stiff resistance:

[Begin recording] Philippine Air Force Tora Tora planes continue to bomb an Army camp in Butuan City which was taken over by rebel forces under Colonel Alexander Noble, the former deputy of President Aquino's Presidential Guard. At the same time it was reported that the Philippine Constabulary headquarters in Butuan has also been taken over by the rebels.

In Cagayan de Oro City, 150 kilometers southwest of Butuan, hundreds of rebels and scores of civilian supporters have taken up defensive positions in preparation for a possible attack by forces loyal to the government of President Aquino.

However, despite claims by Armed Forces officials in Manila, there are doubts about the loyalty of troops in Mindanao, which Colonel Noble proclaimed is now an independent sovereign federal republic. [end recording]

Unconfirmed Casualty Reported

HK0510063190 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0545 GMT 5 Oct 90

[Report by Joe Selizalde of Bisig Bayan, Cagayan de Oro to anchorman Ding Gaylonia—monitored in progress; italicized portions in English]

[Text] [Selizalde] *The bombing operation was concentrated inside the camp.* No one was hit outside the camp.

[Gaylonia] Do you have any details about a reported casualty?

[Selizalde] None. We are still trying to obtain the identity because the initial report we received was a sketchy one. But *we are trying our best to get the name of the guy.*

[Gaylonia] Roger. Joe, you know, later at about 1400 General Renato de Villa is scheduled to hold a news conference in Camp Aguinaldo, Quezon City, and we know that he will give details on this. Have the rebel troops in Cagayan de Oro, aside from Bangkasi, learned about this incident?

[Selizalde] Here in Camp Evangelista, *the way we look at it, practically,* Noble's troops are in control of Camp Evangelista because his men are now manning the main gate, including the artillery equipment. And we cannot see any government forces here where Noble's troops are stationed.

[Gaylonia] Aside from Camp Evangelista, there is a camp belonging to the PC [Philippine Constabulary] command where loyal forces are deployed. Is this true?

[Selizalde] The PC here has no problem because Camp Alagar of Regional Command 10 is peaceful. Our provincial command personnel, including the regional special action force, have set up a barricade about 15 kilometers from the city proper to prevent the entry of any further reinforcements from the outside.

While here at the west side towards Iligan, there is also a barricade installed by our PC-INP [Integrated National Police].

[Gaylonia] So, Joe, aside from Camp Evangelista, Noble's forces are not in control of any other camps in Cagayan de Oro City?

[Selizalde] None, so far.

[Gaylonia] This morning, Noble held a news conference and issued a statement about a junta to rule independent Mindanao. Are they aware of the offensive being launched by their forces in Butuan?

[Selizalde] I think Noble is already aware because *he is keeping in contact with his men in the field.* And earlier there was an initial dialogue between Misamis Oriental Governor Vicent Emano and renegade Colonel Noble but there was no concrete result reached in the dialogue because Noble, it appeared, refused to listen to Governor Emano and other ministers of other religious groups here.

[Gaylonia] Senator Aquilino Pimentel departed for Cagayan de Oro at 1000 this morning. Do you have any idea if he has spoken to Noble?

[Selizalde] We are still monitoring if Senator Pimentel has arrived or not. There is no confirmation yet. However, if he arrives, we will be able to get some statements from him about this. And then we will relay his statement to you.

[Gaylonia] Our line of communication is dedicated to you.

[Selizalde] Another input, brother. The dependents of government soldiers residing inside Camp Evangelista are now evacuating the camp to various parts of the city because the *opposite groups* are forming their own troops inside Camp Evangelista. So, this is in anticipation of any event that may occur.

[Gaylonia] Last question. About the Air Force's raid or bombing on the 402d infantry brigade headquarters in Butuan City. Do you have any reports on the general situation in other parts of Butuan?

[Selizalde] The biggest bridge in Butuan City, the main bridge which links Cagayan de Oro, Butuan, and Davao, is presently fully guarded by armed men. But we cannot determine whose armed men they are—are they Nobles or the government's? There are sandbags there. Some people are carrying bazookas and other high-powered firearms. So far there are no other incidents reported. On the bombing, only one got hurt. No one was killed.

Four RAM Officers in Mindanao

HK0510034190 Manila THE MANILA CHRONICLE in English 5 Oct 90 p 9

[Text] The military has issued the names of four officers of the Reform the AFP [Armed Forces of the Philippines] Movement [RAM] who are now in Mindanao.

Air Force Lt. Col. [Lieutenant Colonel] Eduardo Kapunan, Class 1971, a close friend and classmate of coup leader Gregorio "Gringo" Honasan at the Philippine Military Academy [PMA], Kapunan, who carries a P1 million reward for his capture, led the take-over of PTV [People's Television]-4 during the failed December coup.

Kapunan has been shuttling in Davao and South Cotabato where he has many relatives. Sources said Kapunan has been going around military camps recruiting soldiers for the so-called Oplan Kagawasan otherwise known as Oplan Southern Star which is to seize key urban center in Mindanao. [sentence as published]

Kapunan, according to intelligence officer, was at the April 23, 1990 meeting of Oplan Kagawasan (Salvation) in Tungao, Agusan. The same meeting was also attended by Honasan, Noble, Canoy, Ali Dimaporo and several other Moro secessionist rebels.

PC [Philippine Constabulary] Captain Washington Javier was a member of PMA Class 1980. Javier also participated as Young Unions Officers (YOU) member in the drafting of Oplan Kagawasan. An original RAM member, Javier was assigned in 1986 with the intelligence unit of the PC-INP [Integrated National Police] in Camp Crame under Lt. Col. Vic Batac.

Army Lt. Col. Victor Erfe, a classmate and believed to be Noble's chief of staff in Agusan. Both are members of the Philippine Military Academy (PMA Class 1969).

First Lt. Gregor Mendel Panelo, Class 1984 and a RAM founding member involved in Aug. 28, 1987 and

December 1989 coup. Last December, Panelo also piloted the Sikorsky helicopter gunship that bombed Camp Aguinaldo.

According to Oplan Kagawasan, rightists will implement their "enclave concept" of pocket rebellion in four areas—Davao City, Bicol, Negros Occidental and Cagayan Valley.

Aquino Vows To Crush Mutiny

OW0510064390 Tokyo KYODO in English 0625 GMT 5 Oct 90

[Text] Manila, Oct. 5 KYODO—President Corazon Aquino vowed Friday to crush a military mutiny as government warplanes bombed an Army headquarters taken over by mutinous troops in the southern Philippines. "We will crush these pretenders as we did before. For our people will never support their naked attempt to grab power," Aquino told local and foreign businessmen during a luncheon meeting.

Aquino spoke shortly after two T-28 planes blasted the 402 Army Brigade Camp in Butuan, Mindanao Island, 790 kilometers southeast of Manila.

The mutineers, led by renegade Col. Alexander Noble, occupied the camp before down Thursday.

A cabinet official told reporters that each plane made seven bombing runs which set fire to several buildings inside the camp but there were still no reports of casualties in the attack. The attack took place at around 11:30 A.M., the official said.

On Thursday, Gen. Renato de Villa, Armed Forces chief of staff, said loyal troops will engage mutineers holding military installations in two cities who have declared "independence" for Mindanao, the country's second-largest island.

In Cagayan de Oro, a port city with a population of 200,000 about 200 kilometers west of Butuan, mutinous troops and civilian supporters continued to occupy the Army division headquarters at Camp Edilberto Evangelista, said Vicente Emano, governor of Misamis Oriental Province.

"Noble is in control of not only the city but of the province, probably," Emano said in an interview with Manila radio station DZRH. "Even the mayors when I talked with them said they only see Noble's banners all over," he said.

Noble, a former deputy chief of Aquino's security force who took part in last December's coup attempt in Manila, led a rebel convoy through Cagayan de Oro shortly after occupying the Bancasi Army Camp in the city.

Sen. Aquilino Pimentel, a close Aquino adviser, told reporters that he is flying to Cagayan de Oro on Friday afternoon to try to seek a peaceful end to the two-day mutiny. He also disclosed that the military commander for the region, Brig. Gen. [Brigadier General] Miguel Sol, whose camp Noble occupied, is "nowhere to be found."

"We really hope that a breakthrough can be accomplished within the next few days because the longer the standoff lasts the more difficult it will be for, not only the government, but our people," said Pimentel, who is a resident of Cagayan de Oro.

Asked if he hopes to convince Noble to surrender, Pimentel replied: "Let's not talk of surrender. That is probably farthest from Noble's mind." He said rebel soldiers, who numbered around 600 in Cagayan de Oro, did not control the two cities, although they were "free to roam around."

Asked why Noble has targeted Cagayan de Oro, Pimentel said, "Cagayan de Oro is the gateway to Mindanao ... it has a lot of radio stations. We have two or three television stations there. It is very near Maria Cristina (a hydroelectric power plant)...If they hold it indefinitely then it is as if you have a fish bone in your throat."

A statement from the mutinous troops circulated in Manila said they have "established a free and sovereign Federal Republic of Mindanao ... with the hope of later reuniting with a constituted Federal Republic of the Philippines."

The mutiny is the fourth by renegade Army officers who helped Aquino gain power during the civilian-backed revolt which ousted the late President Ferdinand Marcos in February 1986.

Rebel-Held Base 'Recaptured'

HK0510075990 Hong Kong AFP in English 0757 GMT 5 Oct 90

[Text] Butuan, Philippines, Oct 5 (AFP) - Government forces recaptured a military camp here Friday from rebel troops after a rocket attack by Air Force planes as the rebel leader offered to vacate a second camp for the sake of peace, officials and witnesses said.

"We are nearing the conclusion of the trouble that has been created in northern Mindanao," Armed Forces chief General Renato de Villa said, a day after rebel troops seized two Army camps in the southern island of Mindanao and declared an independent state.

Two T-28 attack planes fired at least eight rockets into the main administration building of the 402nd Army brigade headquarters in this southern city earlier Friday, setting off a blaze which gutted the main administration building, journalists on the scene said.

The attack forced the rebel troops to "scamper away" and destroyed a howitzer, an armored personnel carrier, three trucks, the main building and the communications building, Gen. de Villa told a news conference in Manila hours after the air attack.

He said he had ordered the paramilitary constabulary command in Agusan del Norte province, based here, "to move into the camp and determine if there are still rebel elements left."

"This action is going on right now," he said, adding that he had also ordered the arrest of all officers and members of the Mindanao Independence Movement, a fringe political party advocating separatism led by politician Reuben Canoy.

(In the nearby southern city of Cagayan de Oro fugitive Army Colonel Alexander Noble offered to vacate a military camp there "for the sake of peace." But he told Agence France-Presse from the rebel-held Army divisional headquarters there that he expected Defense Secretary Fidel Ramos and Gen. de Villa to visit the camp and hold talks with him later Friday.

("I came here to dialogue for peace. The problem is I find myself alone. I took over an empty camp. The commander abandoned his forces and his command," Mr. Noble said.) The camp commander, Brigadier General Miguel Sol, reportedly abandoned his post shortly after Col. Noble and a convoy of armed followers entered the camp Thursday.

Gen. de Villa said he was unaware of Brig. Gen. Sol's whereabouts, but added he believed the missing officer did not join the rebels.

(Col. Noble, who appeared to be unaware of the rocket attack on the Butuan camp, said he was "preparing for evacuation. I am just waiting for people to talk with. But if the situation necessitates for me to vacate for the sake of peace, by all means.")

President Corazon Aquino has said Thursday's mutiny was "stage-managed" by military rebels who have mounted previous coup attempts against her.

Gen. de Villa said Col. Noble, a former member of President Corazon Aquino's security force, who fled to Mindanao after he was implicated in a bloody coup attempt in December, remained entrenched in Camp Evangelista, the 4th Division Army headquarters situated in Cagayan de Oro City.

He refused to discuss the government's plans for Camp Evangelista, but warned the rebels and their supporters "will all be arrested" and "if they put up a fight, it is unfortunate but they will be defeated." He said planned rebel movements on the other major southern cities of Davao and Cotabato "did not materialize" and there was no other incidence of rebel activity elsewhere in the country.

At the Butuan camp, about 30 fully-armed and uniformed rebel troops were seen fleeing the camp and entering surrounding houses following the air attack, witnesses said.

A pregnant woman who emerged from the camp was rushed to a nearby hospital after complaining of abdominal pains, but there were no other reports of casualties, they added.

A group of rebel soldiers were also seen deploying beside a bridge leading to the center of the city, amid rumors that a column of pro-government marines was on its way to retake the camp, the journalists said.

Most of the commercial establishments here were shuttered on the second day of the rebellion and the city is fast running out of gasoline.

No ambulances or firetrucks went to the aid of the rebel-held camp after it came under air attack, they said.

Gen. de Villa said the rebel troops in Cagayan de Oro were armed with automatic rifles, three 105-mm. howitzers, anti-tank weapons and armored vehicles.

The Armed Forces were continuing an airlift of war equipment and troops to Cagayan de Oro Friday, military spokesman Brigadier General Emiliano Templo said.

Col. Noble proclaimed an independent state on the large southern island of Mindanao Thursday and asked foreign embassies to recognize this new state even though the military assured that all other forces in the southern Philippines were still loyal.

Several families residing inside Camp Evangelista began evacuating their homes Friday, fearing an air strike by government forces against the rebel troops inside the camp, radio station DZXL reported from the scene.

Muslims 'Support' Government

HK0510024390 Quezon City Radyo Ng Bayan in Tagalog 0200 GMT 5 Oct 90

[Text] Muslim Affairs Executive Director Dimasangcay Pundato called on Philippine Muslims, specially those in Metro Manila, to stay calm regarding the rebel soldiers' takeover of some military camps in Mindanao. Here is a report by Arnold Ricote from Cagayan de Oro:

[Begin recording] According to Director Pundato, the Muslims do not believe in the military insurgents' propaganda and they remain in full support of the constitutional government and the present leadership. [end recording]

Noble Challenges Aquino on Unity

HK0510104990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 5 Oct 90

[Text] Renegade Colonel Alexander Noble challenged President Aquino to implement an authentic unity in order for peace and reconciliation to reign.

In an interview with Noble by El Panres of DXKS Cagayan de Oro City in Camp Evangelista, Noble said his group staged the uprising to prompt changes in the government and to declare a Federal Republic of Mindanao. Noble criticized military officials by saying the Armed Forces of the Philippines' leadership is weak and there are divisions among the soldiers. Regarding their siege of Camp Evangelista, Noble said they took over the building which was abandoned by General Miguel Sol. He said they passed through many checkpoints before arriving in Cagayan de Oro City from Butuan yesterday. He pleaded to the soldiers manning the checkpoints and they were allowed to pass. Colonel Noble admitted that the Reform the Armed Forces Movement members in Manila supported him as well as some Muslim organizations. Meanwhile, Ustad Zain Jali, Moro National Liberation Front [MNLF] spokesman said the MNLF of Northern Mindanao could have given their support to Noble's group. But Nur Misuari has not declared any support for Noble and Canoy. Noble also said there were talks of a possible alliance with the New People's Army, but this did not materialize.

Former Tawi-Tawi Governor Al Tila, chairman of the Bangsa [Moro homeland] National Congress, said they condemn Colonel Noble's aggression because they oppose violence to attain one's goal.

General Sol Continues To Command

HK0510124390 Quezon City Radyo Ng Bayan in Tagalog 1200 GMT 5 Oct 90

[Text] The newly installed Chief of the Army's 4th Infantry Division Colonel Plaridel Obrique announced he receives direct orders from General Miguel Sol. The latter was earlier reported to be missing, and he issued an official statement saying he was detained in Camp Evangelista by renegade Army Colonel Alexander Noble and his 300 followers. According to Obrique, General Sol continues to be in command of the entire division but he cannot divulge his whereabouts for tactical reasons. He also assured that the military is in control of Camp Evangelista.

Forces Remain on Alert

HK0510125590 Quezon City Radyo Ng Bayan in Tagalog 1300 GMT 5 Oct 90

[Text] The Visayas Command [Viscom] has sent many soldiers to northern Mindanao to beef up the government forces in the area and to put an end to the pocket uprising launched by renegade Army Colonel Alexander Noble. Viscom Chief Romeo Zulueta did not disclose the number of soldiers deployed. According to him, the entire Armed Forces in the Visayas remain on double red alert.

Percentage of Soldiers Involved

HK0510130790 Manila THE MANILA CHRONICLE in English 5 Oct 90 pp 1, 6

[By staff member Manny Mogato]

[Text] Soldiers involved in the takeover of a Butuan military camp yesterday represent less than 1% of the total military forces now in Mindanao, where 60% of government troops are stationed.

Numbering at least 2,000, soldiers who have reportedly joined renegade Col. [Colonel] Alexander Noble are now in Northern Mindanao. These are the 67th Battalion in Marawi City, Lanao del Sur; the 58th Battalion in Placer, Surgigao del Norte;the 53rd Battalion in Buenavista, Agusan del Norte; and the 9th Battalion in Claveria, Misamis Oriental.

Numbering 175,000 in all, the Armed Forces of the Philippines (AFP) has a 70,000 man army, a 42,000-man constabulary, a 30,000-man navy and a 33,000-man air force.

The army has eight infantry divisions, each divided into three brigades. Each brigade has three battalions, each with 500 to 600 soldiers.

The AFP now has 80 army battalions apart from special forces, artillery and armor companies, and three engineering brigades.

The 5th Division under Brig. Gen. [Brigadier General] Orlando Soriano is deployed in Northern Luzon (Regions 1 and 2) with three brigades scattered in the Ilocos and Cagayan Valley. Soriano commands 5,000 soldiers.

The 7th Division under Brig. Gen. Ernesto Calupig is in Central Luzon. Its three brigades have been spread from Bataan to Quirino province, excluding Bulacan, where a Marine brigade with two battalions of 600 soldiers is deployed.

Metro Manila has 15,000 soldiers and 10,000 policemen, including a security battalion under Lt. Col. [Lieutenant Colonel] Robert Jaymalin, a marine battalion in Fort Bonifacio and an army battalion in Camp Aguinaldo. The constabulary also has a regional special action force company under the PC [Philippine Constabulary] Capital Regional Command (Capcom) in the metropolis.

The 2nd Division under Brig. Gen. Thelmo Cunanan is in Southern Luzon, with 5,000 soldiers organized into nine battalions and one task force.

Two army divisions—the 3rd under Brig. Gen. Raymundo Jarquez (covering Western Visayas and parts of Cebu and Bohol), and the 8th in Samar and Leyte—are assigned in the Visayas under an area command centered in Cebu City. Each has 10,000 to 12,000 troops.

Three army divisions—the 6th in Maguindanao (covering Central and Southern Mindanao), the 4th in northern Mindanao and the 1st in Zamboanga—are in the country's second largest island.

There are 15,000 to 18,000 army soldiers in Mindanao apart from the engineering battalions, armor and artillery units.

The PC has 14 regional commands in every region, including Cordillera and Metro Manila. Each regional command supervises the provincial commands.

Each province has at least three to four PC companies composed of 100 to 150 soldiers, apart from local police units. In Mindanao, there are four regional PC commands with more than 20,000 men.

The air force has three divisions—one each for Luzon, Visayas and Mindanao; and two tactical wings: the 15th Strike Wing in Sangley Air Base, Cavite, with helicopters; and the 5th Fighter Wing in Basa Air Base, Pampanga with fighter planes. Each region also has a composite air support force.

The 205th Helicopter Wing in Villamor Air Base and the 220th Airlift Wing with C-130s and F-47 Fokker planes give the tactical wings some much-needed support.

The navy has six naval districts: La Union for northern Luzon; Manila for central Luzon and the capital; Legazpi City for Bicol and Southern Luzon; Cebu City for the Visayas; Palawan; and Zamboanga City for Mindanao.

Uprising Aim To 'Free Mindanao'

HK0510075790 Manila THE MANILA CHRONICLE in English 5 Oct 90 pp 1, 6

[By correspondent Orencio Corvera and staffmember Manny Mogato with reports from Rey Nitura, Bobby Timonera, Rey Salgado, Lito Zulueta, Diana Mendoza, Mel Elona, Rolando Pascual, Bert Castro, and Rico Rosario]

[Excerpts] Butuan City—Rebel soldiers led by renegade Col. Alexander Noble took this city and Cagayan de Oro City, 112 km away, at dawn yesterday to start what they called a campaign for a "free and independent Mindanao."

A rebel spokesman who refused to be identified said the takeover was not part of a rightist plot to overthrow the President Aquino's government but "an independent action" for a free Mindanao.

Apart from taking out one of two helicopters seized by the rebels with Tora-Tora bombers, the government had not really taken any military action against them.

Until late last night, Noble was reported locked in negotiations with Brig. Gen. [Brigadier General] Miguel Sol, Fourth Infantry Division commander, at his headquarters in Camp Evangelista, in Cagayan de Oro City, which remained in government hands. No details of the talks were made public. [passage omitted]

Malacanang also said that Local Government Secretary Luis Santos had ordered the arrest of local officials supporting the rebels. To strengthen the move, Justice Secretary Franklin Drilon ordered government lawyers in Mindanao to help gather evidence against the civilian supporters of the rebels.

Press Secretary Tomas Gomez III said Santos, in Davao City with a joint Congress-Cabinet team looking at the situation, issued the order after a Cagayan de Oro City official had reportedly expressed support for the rebels.

The official was identified as Councilor Constantino Jaraulo, who was supposed to have joined former Assemblyman Reuben Canoy, head of the Mindanao Independence Movement, in welcoming Noble and his troops in Cagayan de Oro City.

But Sen. Aquilino Pimentel, who was with Santos, had reported that provincial and local officials of Northern Mindanao already had gone on the air to express support for President Aquino. Among these officials, it said, were the governor of Davao, Misamis Oriental, Agusan del Norte and Zacaria Candao of the Mindanao Autonomous Region as well as the city mayors of Davao, Cagayan de Oro and Butuan.

The education department also suspended classes in about 700 public and private schools in Northern Mindanao and in schools near military camps throughout the country.

All commercial flights to Cagayan de Oro, Butuan, Iligan and Surigao were stopped while shipping lines were ordered to skip calls to these cities. The Air Transportation Office (ATO) ordered the "indefinite" closure of the airports at the cities of Iligan, Surigao and Butuan. Rebel soldiers also took over and closed the Cagayan de Oro City airport, reports reaching the ATO said.

Brigadier General Marino Filart, Capital Regional Command (Capcom) chief, assured Metro Manilans the Mindanao mutiny would not affect the metropolis. He belittled the capabilities of the rebel soldiers for a successful coup.

Like De Villa, Filart said the situation was under control, although he said that security around the metropolis had been tightened.

The military said the Mindanao mutineers had planned to seize simultaneously the cities of Butuan, Cagayan de Oro, Davao and Cotabato and declare an independent republic.

If successful, they would then organize a Mindanao Congress and set up a civilian-military council to run an "independent state," it added.

Rebels' Strategy Shift Viewed

HK0510120190 Manila THE MANILA CHRONICLE in English 5 Oct 90 pp 1, 7

["Analysis" column by Amando Doronila: "A Big Strategic Shift for Rebels"]

[Text] The seizure yesterday of military camps in Butuan City, Agusan, and in Cagayan de Oro City by dissident troops unfolds a new, and possibly dangerous phase in their continuing campaign to topple the civil and constitutional government of President Aquino.

It unfolds a new strategy that follows crudely the Maoist pattern of capturing the political the political center by isolating it and by enveloping it with rebellions from the periphery, i.e., the provinces. Because the armed forces headquarters has been understanding the mutinies and because of conflicting reports from the field, it is well to be aware that, at least, the rebellions present a new crisis for the civil government.

What is dismaying about the rebellions is that they erupt at a time when the 16th Philippine Business Conference is going on. The business community, the engine of economic growth in this country, is issuing an urgent call for all sectors to end bickerings and work together to turn the economy around. It considers it urgent that the economic slide be reversed in order that the nation could catch up with the rapidly growing economies of our Asian neighbors.

But this positive development is again being darkened by the storm of military rebellions; the already depressed stock market has responded to the new political shock with a sharp drop in share prices, illustrating the extreme vulnerability of the economy to political turbulences. If the businessmen have made concrete proposals for economic restructuring and reform, the rebels are not offering any coherent political and economic programs. This is what makes the rebellions abhorrent; their creed is that guns—not economic programs or constitutional processes—should determine who rules this nation. This is what the rebellions are pointing at our faces today—the barrel of a gun.

The rebels are aware of this; indeed, sending the economy to its knees has been their primary objective. One cannot fault their sense of timing. The new rebellions ride on the back of the shocks from which the nation is still reeling—those of the calamities and the oil crisis stemming from the Gulf conflict.

The mutinies in the provinces, which bear the handiwork of RAM [Reform the Armed Forces Movement] and its allies, mark a radical departure from the approaches used in the previous six coup attempts, all directed at the heart of political power. They are based on the lessons and mistakes of those failed power grabs. Those attempts demonstrated that the political centre, i.e., the power constellation based in Metro Manila, is too strong for a frontal assault. Put differently, the civil government is so entrenched in Manila and can summon sufficient support from military loyalists that it cannot be dislodged by lightning attacks on the seats of political and military power. the previous coups also showed that the plotters could not mobilize sufficient military support, armor and firepower to take Malacanang Palace by storm.

Obviously, RAM's new strategy is a crude replication of the Maoist approach in which the communist guerrillas, and later the People's Liberation Army, began their campaign to seize power by building popular and guerrilla bases in the countryside, gained control of the provinces and marched onto the big cities and the capital when the center had been strangled and isolated by this enveloping action.

This approach was successful because it fulfilled an important precondition: the revolution won over the peasantry to its side and the rural areas provided the strategic base for guerrilla action, leading to big-scale military assault on the cities by the People's Liberation Army. The merge of the revolution and of the peasantry through the Marxist Leninist ideology adapted by Mao to China's agrarian and feudal economy was crucial to the collapse of the cities from guerrilla siege.

The rebellions in Mindanao have no ideological basis or policy or program matic goal. They feed on long-standing grievances, such as the historical neglect of Mindanao by the central government, the Muslim secessionist movement, the strong undercurrent for decentralization, the existence of private armies of warlords, the negligible presence of the central government's agencies in the hinterlands, and the factional conflicts within the armed forces themselves.

This is the reason why the mutiny leaders have been forging alliances of convenience with Reuben Canoy, the leader of the Mindanao Independence Movement, with warlord forces and with military commanders and military units with wavering loyalty to the Manila-based government and to the constitutional system. The rebels also have been negotiating with the MNLF [Moro National Liberation Front], although it is not clear whether the Muslim rebels are supporting the rebellion. Each of these groups has its own agenda but one minimum objective of most groups would probably be to separate Mindanao from the Republic.

This approach seeks to create a military stalemate with the political center, in the hope that if the Aquino government could not crush or contain the rebellions quickly, the deadlock would throw doubt on the capacity of the civil government to rule effectively, thereby encouraging mutinies in other parts of the country.

The pocket rebellions necessarily divert troops from Manila and Luzon. New rebellions can break out in Luzon. Luzon and Manila units sympathetic to the rebels and antagonistic to the constitutional system can open new fronts. Rebel action in Metro Manila should not be ruled out.

Because this approach has a corrosive effect on the authority of the center and does not seek a swift seizure of the seat of state power, it could bleed the nation white through an attritive military-led disobedience movement. It could even fan the embers of civil war.

There is an attempt, through this approach, to repeat the Edsa experience in the sense that the withdrawal by the former defense minister Juan Ponce Enrile and the former vice-chief of staff Fidel Ramos of their loyalty to government of former President Marcos triggered the switch of the military to the side of the Aquino forces.

In any event, the switch was swift—it took only three days for the armed forces to change sides, thereby destroying the legitimacy of the Marcos government. The strategy adopted by the new rebellions foreshadows a prolonged deadlock.

Within this stalemate, the civil government could mobilize broader civilian and even military support for itself, provided it could produce some new crisis initiatives and act fast.

Laurel, Enrile Said To Favor Dec 89 Coup Rebels

HK0510120590 Manila THE MANILA CHRONICLE in English 5 Oct 90 pp 1, 7

[By correspondent Joey Caburnida]

[Text] Ending 10 months of extensive inquiry, the Davide Commission yesterday rebuked Vice President Salvador Laurel and Senate Minority Floor Leader Juan Ponce Enrile for showing bias in favor of military rebels during the December coup attempt.

"Rather than close ranks to defend the Constitution and the duly constituted authority, as required of public officials, both Laurel and Enrile took turns heckling the beleaguered government and thus contributed to the instability of the situation. They sounded as if President Aquino, and not the rebels, was the lawbreaker," the commission's 648-page report said.

At the same time, it asserted that the root causes of the failed coup cannot be blamed on the Aquino government, although it could be criticized for "failing to live up to the promise of its glorious beginnings."

The coup attempt, it held, was the "result of a propitious conjuncture of (the rebels') motive, circumstance, and perceived opportunity."

Created by President Aquino to look into the causes of the December coup attempt by rightist members of the military, the commission released its report as a new military mutiny was brewing in Mindanao.

The probers recommended a reinvestigation of the "God Save the Queen" plot, the prosecution of those implicated in it, and a categorical declaration of President Aquino's position on her reelection.

They said the coup participants could have been motivated by the following factors: the desire to regain power and privileges enjoyed during the Marcos regime or repay past favors (utang na loob); ambition which could not be realized within the existing chain of command; deference to peers, superiors, or "mistahs;" the pakikisama value; and misguided idealism or an expression of sympathy for "valid" causes.

In a statement, Enrile vehemently denied involvement in "any coup attempt," and said that the release of the Davide report was an attempt by the Aquino government to deflect attention from the Mindanao rebellion. Saying he was surprised by the findings, Enrile declared: "I categorically deny that I had anything to do with any coup attempt."

Enrile accused President Aquino of "utilizing" the commission to silence him, the lone oppositionist in the Senate. He added that the supposed findings "follow the same pattern of fabrication" that has characterized the efforts of prosecutors in the justice department, who had filed complex rebellion charges against him.

The commission, however, said that Enrile's statement is a "reaction to a press statement issued by Malacanang and not from a reading of (its) report."

Speaking in a radio interview, Senate President Jovito Salonga said the Davide report did not in and way implicate Enrile in the failed coup.

For her part, Mrs. Aquino, who received the report yesterday, said in a statement that the findings afforded the government and the people an understanding of the failed coups since 1986.

She said the report would be considered and studied to guide the conduct of the government.

"What was in danger during these coup attempts was not so much the persons in authority who would have been eliminated had the attempts been successful," she said. "More than that, what was in mortal danger was our democracy that has survived much stronger than ever before."

"The work of the Davide Commission, in essence, is a recognition of this fact and the embodiment of suggested ways to strengthen our democracy," she said as she congratulated the five-member panel.

The commission was composed of chairman Hilario Davide Jr and members Ricardo Romulo, Delfin Lazaro, Carolina Hernandez and Christian Monsod.

In its report, the commission said: "Insofar as the portions of (our) videotape show, not only did Enrile blame the government for the coup attempt, but like Laurel, he failed to condemn the coup participants or call upon them to lay down their arms."

As for Eduardo "Danding" Cojuangco, Mrs. Aquino's estranged first cousin, the commission strongly felt he had "prior knowledge of the staging of the coup." However, it admitted it did not uncover any direct evidence that he was a plotter or a participant.

Constabulary Men Raid Suspected Command Post

HK0410061790 Manila THE MANILA CHRONICLE in English 4 Oct 90 pp 1, 8

[By staffmember Noli Cabantug]

[Text] Constabulary operatives the other day raided a beach house in Cabiao, Nueva Ecija suspected to be a command post of a civilian supporter of a detained rebel officer. They seized communications equipment and firearms.

Lt. Col. Serafin Santos, chief of the Criminal Investigation Service [CIS]-Special Operations Group, [SOG] said his men had raided the beach resort of defeated congressional candidate Roberto Gabriel, a close associate of detained rebel leader Lt. Col. Eduardo Matillano.

Gabriel, a local soap manufacturer and owner of Villa Crisanta Sea Resort in Barangay San Roque, was able to escape, bringing with him high-powered rifles. Gabriel is now being hunted by the CIS in the province. He is facing illegal possession of firearms charges before the Nueva Ecija regional trial court. The CIS is preparing rebellion charges against him, Santos said.

Authorities believed Gabriel's house had served as a contact post for other civilian supporters of the military rebels, judging by the presence of a powerful base radio that could transmit messages to as far as Metro Manila.

The CIS-SOG raiding team leader, Maj. Amador Pabustan, said civilian officials had told him the beach resort was frequented by armed men who engaged in target practice by the seashore.

The raiders confiscated the base radio and dismantled its antenna. They also found inside the house two shotguns, a hand-held radio and several contraband items.

Information about Gabriel's underground activities was given by civilians to local military authorities after they had observed suspicious activities of armed men in his beach house.

Gabriel was described as a close friend of Matillano, one of the original members of the Reform the Armed Forces Movement (RAM) who led a rebel takeover of the Camelot Hotel in Quezon City during the August 28, 1987 coup attempt.

In Negros Occidental, the military tagged a former organizer and leader of a local vigiliante groups as a confederate in an arms shipment case involving Manila-based military rebels. The vigilante leader reportedly got an undetermined number of high-powered firearms from Tagalog-speaking armed men who arrived in Pulupandan port aboard a small sea-vessel. The vigilante leader, the son of a rich landowner, was described as a close associate of rebel leader Lt. Col. [Lieutenant Colonel] Billy Bibit who was formerly assigned in Negros Occidental.

'100' GB Members Pledge Loyalty to Constitution

HK0510035990 Manila MANILA BULLETIN in English 5 Oct 90 p 9

[By Leon Manipol]

[Text] Camp Nakar, Lucena City—Some 100 members of Guardians Brotherhood [GB], tagged by Defense and AFP [Armed Forces of the Philippines] officials as potential supporters of the Reformed the Armed Forces Movement (RAM), resigned en masse from the organization and took their oath of loyalty to the Constitution and the duly constituted authorities before Brig. Gen. Federico E. Ruiz Jr., Solcom [Southern Luzon Command] chief, here yesterday.

The group was headed by its "supremo," Maj. Aquilino Gemier of the Philippine Army.

General Ruiz was able to win them over in a series of dialogues with the Guardians. A good number of the Guardians in the Southern Tagalog and Bicol regions reportedly supported the first coup attempt of Gregorio Honasan.

The Solcom chief said that there have been continuing efforts to win wayward soldiers in line with a directive of Defense Secretary Fidel V. Ramos and AFP chief of staff Gen. Renato de Villa.

Editorial Supports 'Just' Base Workers' Strike

HK0310105790 Manila PHILIPPINE DAILY INQUIRER in English 3 Oct 90 p 4

[Editorial: "Justice, Reason on Side of Striking Base Workers"]

[Text] Whichever way you look at it, the more than 22,000 Filipino workers at five American military facilities who went on strike Sunday night have reason and justice on their side.

The base workers are protesting the 3-percent ceiling on wage increases imposed by the U.S. Congress on federal employees, including those in overseas installations, that U.S. authorities now use as an excuse not to honor their Collective Bargaining Agreement [CBA] with the workers.

The CBA provides for annual increases in salary for the Filipino base workers as determined by an annual wage survey conducted by both management (U.S.) and the labor panel, of 36 progressive companies in Metro Manila. As a result of the survey conducted last July, direct-hire Filipino workers were expected to receive an average increase of 18 percent in their daily wages this month.

More specifically, the latest survey showed that white-collar Filipino workers should be receiving a 15-percent increase while manual labor workers should get a 21-percent increase. But according to leaders of the Federation of Filipino Civilian Employes Association (FFCEA), the U.S. government refused to comply with this measure, citing a 1990 U.S. Congress Appropriation Act setting a 3-percent limit in wage increases.

It must be noted that the wage survey mechanism was contained in the Bases Labor Agreement between the Philippine and U.S. governments, which means it was a formal commitment entered into by American authorities. It seems logical to hold the U.S. base authorities to their work, unless government-to-government agreements nowadays are meant to be casually ignored and set aside.

And if American authorities signed the agreement well aware that its provisions could be effectively vetoed by Congressional action, then it seems they had been negotiating in bad faith all along.

Filipino workers in the bases had long complained of the disparity in their peso-pegged wages and the dollar-wages of workers in American military installations elsewhere in the world. While they may be relatively better paid than most Philippine workers, the base employees are shortchanged when compared with other civilian workers in other U.S. bases with the same level of skills and competence and carrying out the same kind of work. Clearly, this is an injustice, and it would seem the Philippine workers, who settled for the wage survey method of determining annual pay increases, have met their employers more than halfway.

We must also point out that while the 3-percent wage increase cap imposed by the American Congress assumes federal workers will be receiving wages in U.S. dollars, the authorities in Clark, Subic and other bases want to impose this same 3-percent ceiling on wages pegged to the peso, which has tumbled in value from an average of P21.77 [21.77 Philippine Pesos] to $1 last year, to the current rate of P25.75 to $1. Whatever raises the Philippine employees will be receiving will thus only compensate for the fall in the buying power of the peso, and will give them very little in terms of increases in real income.

November last year, when negotiations for the current CBA reached a deadlock, Roberto Flores of the FFCEA complained: "What irritated us most, was the tone of sarcasm and their (U.S. panel) favorite line of "We will consult our higher authorities." It has been like this all the time and I think it is high time for us to assert our rights as Filipinos."

His words are well taken. The time has come to assert Philippine rights and to demand that Americans honor their commitments. The strikers deserve the support of their countrymen. Their cause is just and fair.

China Warns Against Recognition of Taiwan

HK0210084090 Manila DIYARYO FILIPINO in Tagalog 2 Oct 90 p 1

[By M. Devaras]

[Text] The People's Republic of China warned it will recognize the Moro National Liberation Front in Mindanao if the House of Representatives approves the Taiwan Relations Act. This was stated yesterday by Representative Jose de Venecia (Struggle of Philippine Democrats, Pangasinan) after meeting with Beijing officials.

According to De Venecia, acting House Foreign Relations Committee chairman, it would be a big mistake for the Aquino government to recognize the government of Taiwan. China does not recognize Taiwan as a country but as one of its provinces.

De Venecia said that since Taiwan is only one of China's provinces, the Philippines should not provide it with official recognition. China reportedly is concerned that the Philippines might finally recognize Taipei upon approval of the Taiwan Relations Act and thus elevate Taiwan's political status.

De Venecia also said he visited Taipei to help form a creative compromise which may be acceptable to both countries.

Thailand

Military Will 'Step In' To Help If Needed

BK0510090690 Bangkok THE NATION in English 5 Oct 90 pp 1, 2

[Text] The military will step in to help solve the country's political woes if the premier says he cannot handle the situation any longer and when the public clearly demonstrate their desire for it, a top-ranking military officer said last night.

Air Force Commander-in-Chief ACM [Air Chief Marshal] Kaset Rotchananin said that like the army, the air force had also received numerous letters from the public urging it to salvage the failing political situation.

"We have got tens of thousands of letters but we don't consider them (to constitute) public opinion as yet," said Kaset at a function at the Dusit Thani Hotel last night. "At that point, the people would have to step in and we are part of the people, aren't we?" he said.

Kaset said that the military did not want to involve itself in politics but it could not avoid its responsibility to the country if Prime Minister Chatchai Chunhawan failed to take any action to resolve the current political malaise. "If he cannot handle it anymore, he will let us know and ask us to come to the rescue," he said. He added that the military had sent this message to the premier and that Gen [General] Chatchai had pledged to try his best to redeem the situation.

"The latest we have heard is that he will reshuffle the Cabinet," Kaset said. "Give the premier more time because his problems are very delicate," Kaset said.

Kaset ruled out the possibility of military senators joining an opposition campaign seeking an extraordinary House session to grill the government. "It's useless because the government has majority support in the House. This problem cannot be tackled in the House," he said.

Meanwhile, Premier Chatchai was reported to be seriously considering various options to overcome the deepening political crisis amidst rumours of a reshuffle to pre-empt an internal rebellion within his party. One option floated by his aides last night was for him to stay cool and "play it by ear" when new political developments arise. The aides said the immediate problem was the internal disputes within Chat Thai and suggested that the premier may play it tough by sacking rebellious Deputy Interior Minister Sano Thianthong.

MP's Deputy Secretary General Bowonsak Uwanno denied rumours that the premier was preparing to fly to the South to submit a list of the new Cabinet line-up to His Majesty the King last night. "The premier is in a relaxed mood, and is taking a rest at his residence right now," Bowonsak said last night. He added: "Up until now, the premier has not decided to step down, dissolve the House or reshuffle the Cabinet."

But there were signs that the premier was caught on the horns of a political dilemma. At about 7:30 pm last night, Government Spokesman Suwit Yotmani arrived at his house and told reporters that the premier sent for him. After two hours with the premier, Suwit told reporters that the premier maintained that he will not step down or dissolve the House. But the premier did not mention the possibility of a Cabinet reshuffle, the spokesman said.

Suwit said many visited the premier at the Ratchakhru residence throughout the past two days because they wanted to ask the premier about the confusing political situation. "The visitors now understand that the situation is still calm," he said. He said he felt that the premier was still in high spirits and in a good mood. "It's my impression that he was not worried about present political conflicts which can be resolved. The premier only wanted the parties involved to avoid washing dirty linen in public," he said.

At the nearby residence of party chairmain Pol Gen [Political General] Praman Adireksan, the rallying figure of the dissidents, a group of about 10 MPs gathered last night, indicating that tension rose again after receding earlier in the day when Chatchai appeared set to accommodate the demand by the dissidents for party secretary general Banhan Sinlapa-acha's removal from the Interior Ministry.

The MPs gathering at Praman's house included Sano, Deputy Premier Pramual Saphawasu, PM's [Prime Minister's] Office Minister Kon Thappharanysi, Deputy Industry Minister Samarn Phumakanchana, Lopburi MP Niyom Worapanya and Rayong MP Somsak Chanduaikit. They left Praman's house at about 9:30 pm.

Earlier in the day, the premier held talks with Banhan, who reportedly stayed at his house later in the evening, and probably at night too. The premier also held a series of talks with key members of Chat Thai, including deputy leader Thawit Klinprathum, Kon and University Affairs Minister Anuwat Watthanaphongsiri at the Hilton Hotel. He went back to his residence in the afternoon.

Apart from a call by dissident Chat Thai members for changes to the party's ministerial line-up, the premier was also required to reshuffle the Democrat ministers as proposed by the coalition partner. The Democrats reportedly nominated Deputy Agriculture Minister Charoen Kanthawong as public health minister, replacing Marut Bunnag, who had earlier volunteered to quit the post; former deputy communications minister Anek Thapsuwan as deputy public health minister, replacing outgoing Suthay Ngoenmun.

Chatchai had received a list of nominees from a group of Chat Thai ministers on Monday night, proposing the following changes to the Chat Thai Cabinet: Chatchai as interior minister, Banhan as deputy premier, Deputy Premier Pramuan Saphawasu as industry minister and party chairman Praman Adireksan as defence minister.

Chatchai also came under renewed pressure from the military to drop four controversial ministers from the Cabinet: Chaloem of the Muan Chon Party, Deputy Interior Minister Trairong Suwannakhiri from the Democrat Party, Banhan and Communications Minister Montri Phongphanit, the secretary general of the Social Action Party.

Chatchai was reportedly upset with Deputy Interior Minister Sano, who kicked off an open campaign on Wednesday to pressure the premier on the dispute between Chat Thai MPs and Montri on the controversial Bt [baht] 150-billion telephone expansion project. Sources close to the premier speculated that Sano could be dropped from the Cabinet as a result of his rebellion.

Praman yesterday afternoon broke his silence over the uproar, saying that he was ready to accept the top party post if the majority of party members wanted him to do so. But he added that he preferred to be "only a minister", and not premier. The party chairman also asked for sympathy for the prime minister, who has been beset with numerous tough problems. But he said he expected a Cabinet reshuffle rather than the prime minister resigning or a House dissolution.

Praman was speaking to reporters after a group of dissident MPs called on him yesterday. They included deputy leader Sa-at Piyawan, Rawi Kingkham (Mukdahan), Somsak Chanduaikit (Rayong), Deputy Industry Minister Saman Phumakanchana and Burin Hiranburana (Prachinburi).

Chat Thai Minister Anuwat, who met Chatchai at Hilton Hotel along with Kon, said he did not think the move by dissidents would lead to a change of party leader.

Article Suggests Refugees Should Return Home

BK0410150490 Bangkok Voice of Free Asia in Thai 1030 GMT 3 Oct 90

[Article: "It is Time for the Indochinese Refugees To Return to Their Countries"]

[Excerpts] The Indochinese refugee problem is a protracted one. During the Indochinese war, a large number of refugees from Laos, Cambodia, and Vietnam fled into Thailand and other countries in Southeast Asia to take refuge. Consequently, Thailand and other countries had to shoulder the burden of housing and feeding those refugees whose plight was humanitarian in nature. In particular, millions of Cambodian people fled into Thailand during 1979 when Vietnamese troops invaded Cambodia. [passage omitted]

As of 20 September 1990, there were still 311,852 Cambodian refugees at various refugee camps in Thailand—62,220 at Site B, 12,033 at O Trav, 165,711 at Site II, 14,656 at Khao I-dang, 36,188 at Site VIII, 9,420 at Sok San Camp, and 11,618 at Site K. The Thai Government is carrying out a vocational training program for the Cambodian refugees at refugee camps so that the Cambodians can use the knowledge they have received to earn a living when they return to their country.

The Vietnamese refugee issue, especially the boat people, is also a prolonged problem. Although the Vietnam war has been over for decades, over 1 million Vietnamese boat people have risked leaving their country to take refuge in countries in Southeast Asia. These refugees are not regarded as refugees under the definition of the international meeting on Vietnamese boat refugees and the 1951 UN convention on the status of refugees. They are economic refugees who fled from hunger and poverty in their country to seek resettlement in third countries with the hope of better living conditions. [passage omitted]

Vietnamese boat refugees numbering 7,585 arrived in Thailand in 1989 and another 7,635 boat refugees arrived during the period from January to August 1990. Most Vietnamese boat refugees were not granted refugee status by the committee on classifying refugee status. As a result, a large amount of Vietnamese boat refugees still remain in Thailand, not knowing the outcome of their future.

Now, the political atmosphere in Southeast Asia has improved as the countries have turned to negotiations to end the conflicts in the region. In particular, the Cambodian problem, a main obstacle in this region, has made some progress. Leaders of Cambodian factions have turned to talks and were able to reach an agreement on the establishment of the Supreme National Council, or the SNC; a symbol of independence, sovereignty, and integrity of Cambodia. The SNC will transfer the country's administration power to the United Nations temporarily before a free and fair general election is held under UN supervision. When peace returns to Cambodia, the Cambodian refugees would probably return to their homeland in order to exercise their rights to select their leaders and administration and to jointly develop Cambodia into a prosperous and stable country.

Vietnamese refugees should also return to their country to help reconstruct it so that Vietnam will be prosperous like other neighboring countries in Southeast Asia. Now, the situation in Vietnam has returned to normal. Vietnam possesses political stability and rich natural resources that have not been used beneficially because Vietnam lacks skillful and experienced laborers. National development cannot be accomplished without the participation of the people, the owners of the country. By returning to their homeland, they will help develop their country. Now is the time for the Indochinese refugees to return to their own countries with dignity.

Deputy PM Proposes Joint Antidrug Task Force

BK0410034890 Bangkok THE NATION in English 4 Oct 90 p A4

[By Prakopphong Panaphun]

[Excerpts] Deputy Prime Minister [PM] Athit Kamlang-ek said yesterday Thailand and Burma need to set up a joint task force to eliminate drug trafficking along their common border.

During his visit to the headquarters of the Office of the Narcotics Control Board [ONCB], Athit asked the ONCB to work with the Foreign Ministry in sounding out the Burmese government on the proposal. "If the Rangoon government agrees to cooperate in drug suppression, we may form a joint task force to crack down on traffickers," said Athit, who was appointed deputy prime minister in a recent Cabinet reshuffle.

After a briefing by ONCB officials, Athit said Thai authorities had succeeded in containing drug production on the Thai side of the border. "But we can't stop the influx of heroin from ethnic groups (living near) Thai territory," he said. Athit said cooperation from the Burmese government was necessary "if we want to end the chronic problem which has continued for more than 60 years". [passage omitted background material]

Athit, a former army commander-in-chief, yesterday criticized Thailand's anti-drug campaign for "lacking harmony". He said there were too many agencies dealing with drug control, resulting in intelligence work being negatively affected. "Now the ONCB is supervising policies, which are carried out by the Police Department and the Defence Ministry. We have not been able to achieve effective coordination," he said.

The Thai government is planning to upgrade the police anti-drug centre into a bureau, a plan supported by the US government.

Athit said the new police narcotics bureau would enhance the anti-drug campaign.

Proposal Approved To Open Consulate in Gambia

BK0410083690 Bangkok Domestic Service in English 0000 GMT 1 Oct 90

[Text] A royal Thai consulate will be set up in Banjul, Gambia, with the appointment of an honorary Thai consul. The cabinet acknowledged a proposal put forward by the Ministry of Foreign Affairs this week. Mr. (Alia Abduli Momodu Emboge), a well-known and respected personality in the Republic of Gambia, is to be appointed as honorary Thai consul to Gambia.

The Royal Thai Consulate has been seen as a step to promote closer trade and cultural ties between Thailand and African states with Gambia as the coordination center. The royal Thai consul in Gambia will be the first in Africa, which has increasing contacts with Thailand. Mr. (Emboge), the honorary Thai consul, is highly qualified for the job. He has won the trust of the president of the Republic of Gambia. His appointment has also been approved by the Government of Gambia.

Vietnam

Further on Spokeswoman's 4 Oct News Conference

BK0510122490 Hanoi International Service in English 1000 GMT 5 Oct 90

["Gist" of the news briefing held in Hanoi on 4 October by the Vietnamese Foreign Ministry]

[Text] Ho The Lan, spokeswoman for the Foreign Ministry, told newsmen at the press conference that during the recent meeting between Vietnamese Foreign Minister Nguyen Co Thach and his American counterpart, Mr. James Baker, both sides welcomed the contributions made by the five permanent members of the UN Security Council in the process of seeking a solution to the Cambodian issue within the framework of the Paris international conference.

Both sides pointed to the need to accelerate the settlement of humanitarian issues of Vietnam and the United States. The U.S. side highly appreciated Vietnam's efforts in this regard. Foreign Minister Thach accepted Mr. Baker's invitation to meet General John Vessey, special envoy of the U.S. President, for further discussion of humanitarian issues of both sides.

Mrs. Ho The Lan noted that the official meeting between the two diplomatic chiefs of Vietnam and the United States was a high level since 1973. The meeting, she added, is of important significance toward normalizing relations between the two countries.

The Vietnamese spokeswoman then recalled Mr. Thach's presence at the banquet offered by Chinese Foreign Minister Qian Qichen at the New York office of the Chinese UN mission to mark China's national day, 1 October. She said: The Vietnamese foreign minister also had working session in New York with the foreign ministers of the Asian and the Pacific countries at the invitation of the Japanese and Indonesian foreign ministers. Discussions involved regional issues and cooperation. Mr. Thach also compared his notes to those of the foreign ministers of the Soviet Union, Laos, Japan, Indonesia, France, Sweden, and the deputy foreign minister of the Federal Republic of Germany.

Answering a question on China trip by General Vo Nguyen Giap, she said that the trip is an important contribution to normalizing relations between Vietnam and China.

On the situation of Vietnamese workers in Iraq, Mrs. Ho The Lan said: More than 16,000 Vietnamese workers, including some 1,000 women, are in Iraq. This is no small figure as the Vietnamese people are paying great attention to them. The workers, she said, badly need food and medical help. Vietnam has been preparing to ship food to Iraq to help these workers and bring a part of them home. The ship carrying food will sail off as soon as it gets permission from the UN embargo committee. She also said India has decided to give Vietnam 240 tons of rice, 1,600 kilograms of milk, and 2,000 kilograms of sugar. This is part of the food India reserves for its residents in Iraq.

She expressed gratitude to the timely Indian assistance. She thanked various UN agencies for their favorable attitude to enable Vietnamese workers to return from Iraq. These include the International Organization for Migration, the United Nations Human Rights and Economic Assistance Program, and World Food Program. Mrs. Lan added that Vietnam highly appreciated the decision of the European Common Market countries to consider the Vietnamese proposal.

Asked about foreign reports that Vietnam accepted the principle of forcible repatriation of those who are not recognized as refugees at the first asylum countries, Mrs. Lan said: That is not true, now as before, we do not advocate the policy of forcible repatriation of refugees. We have encouraged voluntary repatriation and are ready to welcome those who do not object to be repatriated.

Nguyen Co Thach Discusses Khmer Rouge Issue

BK0511071690 Hong Kong AFP in English 0121 GMT 5 Oct 90

[Text] New York, United Nations, Oct 4 (AFP)—The U.N. peace plan for Cambodia crafted by the five permanent members of the U.N. Security Council fails to address the issue of how to eliminate the Khmer Rouge, Vietnamese Foreign Minister Nguyen Co Thach said here Thursday.

He told the U.N. General Assembly that the plan "fails to mention the question of elimination of the genocidal regime in Cambodia." He was referring to the Khmer Rouge, who field the dominant military force within the tripartite Cambodian resistance and are held responsible for the deaths of hundreds of thousands of Cambodians during their rule from 1975 to January 1979 when they were ousted by Vietnamese troops.

"The international community cannot show condonation for perpetrators of crimes against humanity and should uphold the convention of the United Nations on the prevention and punishment of the crime of genocide," Mr. Thach said.

The peace plan, which calls for a major U.N. role in governing Cambodia until free and fair elections are held, was put forward by the U.N. big five in late August and accepted by the four Cambodian parties last month. In line with the U.N. framework agreement which is to be finalized and ratified by the Paris conference on Cambodia, the Cambodian factions formed a Supreme National Council (SNC) to embody their country's sovereignty during the transition to the polls.

"Vietnam holds that the Charter of the United Nations should be scrupulously respected with regard to matters pertaining to the sovereignty of Cambodia, an independent country and a member of the United Nations. The process of setting up the Supreme National Council offers a reminder that no external authority or group of countries can replace the determining efforts of the Cambodian parties with a view to resolving themselves Cambodia's internal problems," Mr. Thach added. The Hanoi-backed Phnom Penh government and the Cambodian resistance linking the Khmer Rouge with two non-communist groups have so far failed to name an SNC chairman and a U.N. delegation.

Mr. Thach however hailed "the very important contribution" of the U.N. big five and U.N. Secretary General Javier Perez de Cuellar. He said members of the Paris conference should finalize the peace plan so that the Paris conference could be reconvened next November or December.

The conference, co-chaired by France and Indonesia, is tentatively scheduled to be held in early December. It groups the U.N. big five—the United States, the Soviet Union, France, Britain and China—the four Cambodian parties, along with Vietnam, Laos, Indonesia, Brunei, Malaysia, the Philippines, Singapore, Thailand, Australia and Japan.

In his speech, Mr. Thach also highlighted the sweeping economic and political reforms in his country. "The investment law of Vietnam introduced in 1988 is one of the most beneficial to foreign investors and has already helped Vietnam attract more than one billion dollars of foreign investment capital," he added.

PRC Minister Speaks at New York Luncheon

BK0410084390 Hanoi Domestic Service in Vietnamese 2300 GMT 3 Oct 90

[Text] According to Radio Beijing, on 2 October, speaking at a luncheon hosted by the U.S. Asian Studies Society in New York, Chinese Foreign Minister Qian Qichen commented on the situation in Asia and on China's relations with its neighbors. Touching on the Cambodian issue, the minister said: China wants an early political solution to this question on the basis of the principles of the Paris Conference. China is Cambodia's neighbor and wishes to see Cambodia become an independent, peaceful, neutral, and nonaligned country that maintains fine relations with its neighbors. Foreign Minister Qian Qichen added: Along with the settlement of the Cambodian issue, Sino-Vietnamese relations will also be gradually improved and normalized.

Government Reaffirms Stance on Refugee Question

BK0410154090 Hanoi VNA in English 1445 GMT 04 Oct 90

[Text] Hanoi VNA October 4—Vietnam does not advocate the policy of forcible repatriation of refugees, said Mrs. Ho The Lan, head of the Press and Information Department and spokeswoman of the Foreign Ministry, in a press briefing here this afternoon.

Asked about foreign reports that Vietnam accepted the principle of forcible repatriation of those who are not recognized as refugees in the first-asylum countries, Mrs. Lan said: "That is not true. Now as before we do not advocate the policy of forcible repatriation of refugees, we have encouraged voluntary repatriation and are ready to welcome those who do not object to being repatriated. The agreement reached recently between Vietnam, the United Kingdom, the Hong Kong authorities and the UN High Commissioner for Refugees (UNHCR) actually accords with that spirit."

Energy Crunch Hits After Soviet Supply Cuts

BK0510112090 Hong Kong AFP in English 0901 GMT 5 Oct 90

[By Jean-Claude Chapon]

[Text] Hanoi, Oct 5 (AFP)—Vietnam has adopted tough measures to face up to an energy crunch stemming from cuts in Soviet oil supplies and crude price hikes caused by the Gulf crisis. Experts say the situation could deteriorate if the Gulf crisis continues and as Hanoi begins next year to pay for Soviet oil shipments at international market rates and with scarce hard currency.

The HANOI MOI daily announced Friday that authorities had adopted stiff measures "to improve distribution and make radical cutbacks in consumption" of motor fuels. The belt tightening, according to HANOI MOI, will be felt throughout government—including in the Defense and Interior Ministries—whose "needs will be tightly controlled."

A noticeable decrease in Vietnam's petroleum supplies has recently prompted rationing in various parts of the country and price hikes at the gas pump on the open market in the past three weeks. In Ho Chi Minh City, the economic hub of the nation, the price of gas doubled three weeks ago from

1,500 dong (23 U.S. cents) to 3,000 dong (45 cents) a liter. Gas is selling in Hanoi at 2,200 dong (35 cents) against 1,100 dong (18 cents) two weeks ago.

The widely respected Vietnamese economic weekly, MARKET AND PRICE, said the prices of petroleum products were expected to continue climbing in October due to increases in imported fuel prices. Experts said the pressure on prices was largely due to decreases in Soviet exports of oil to Vietnam, which has begun buying from Japan and Singapore at the higher market prices caused by Iraq's August 2 invasion of Kuwait.

Up to now, the Soviet Union has supplied Vietam with 80 per cent of its total yearly refined imports of three million tonnes on a barter basis at below market rates. Vietnam, though a crude oil producer itself, has no refineries and so must import refined oil

"Soviet sources of motor fuel under previous accords are now uncertain," the HANOI MOI said. "And beginning in 1991, we will not be able to take advantage of Soviet loans to buy their surplus oil. Fuel requirements in production and daily life are increasing while our supply of hard currency remains weak," the daily said.

The number of motorcycles and mopeds on the road, and more recently of private cars, has increased in Vietnam in the past two years, and motorized vehicles are slowly overtaking bicycles as the main means of transportation.

Among the measures the government has implemented is a ban on the private use of government vehicles and an "energetic and effective" battle against the theft of state fuel supplies—currently a wide-scale problem.

The state's joint venture firm with the Soviet Union, Vietsopetro, announced recently it lifted production in the first six months of the year to 1.2 million tonnes and has targetted 2.5 million tonnes of crude for the whole year.

Western oil companies, including British Petroleum, the Anglo-Dutch group Shell and the French company Total are currently exploring for oil in Vietnamese waters.

Army Paper Comments on German Unification

BK0410151690 Hanoi Domestic Service in Vietnamese 1430 GMT 3 Oct 90

[Commentary: "The Unification Rife With Differences" by Duc Viet in QUAN DOI NHAN DAN; date not given]

[Text] Today's incorporation [saps nhaapj vaol] of the GDR into the FRG overrides the historical significance of the German nation, reflects a unique event in world politics in the final years of the 20th century, and makes a first step into an uncertain future in the 21st century on the European Continent and in the world. The Berlin Wall erected in August 1961 asserted the independent existence of two German states. East Germany existed for 41 years on only 108,300 square kilometers. It has a population of 17 million and a voice at the United Nations. It was an active member in CEMA and in the military Warsaw Pact and had diplomatic relations with 113 countries.

West Germany, with a territory of 248,000 square kilometers and a population of 60 million, has been a UN member since 1973 and has acted as a strong force in the NATO military bloc and in the EEC. The GDR's incorporation into the FRG has become the second case in which the more than 23 [as heard] Constitutions of the FRG have been applied. The first case came earlier, in December 1956, when the parliament of the Schwerin state—the state established by the French occupation force in the wake of World War II—decided to join the FRG.

From the standpoint of procedure and formalities, the integration was rather easy. When the two Germanies are unified, all the opposition parties in the two countries, followed by the youth organizations of the major political parties and churches, will also be unified. The FRG has started to take over administrative work at all levels in the GDR. On 10 September, the Germany Unification Committee decided that all the ministries of the FRG would establish offices in the GDR and these offices would be headed by secretaries of state. The FRG has sent 3,000-4,000 officials to the GDR.

In the domain of national defense, the FRG generals will basically continue to hold their high-ranking positions in the unified army. XINHUA reported that commanders, deputy commanders, chiefs of staff, and all officers higher than division level will become FRG army officers. The East German army generals, age 55 or older, will be discharged. Young officers will be retrained then put on probation for two years before they can be recruited into the new army.

The GDR has withdrawn from the Warsaw Pact and CEMA. The German language association has announced a contest to choose a new name for what has been GDR territory. On 2 October, the GDR parliament held its last session. After that, young athletes appointed from each part of Berlin hoisted the FRG flag in front of the former German parliament.

On 2 December national elections will be held. After 40 years of separation, will the East and West Germans live trouble-free under the same roof? Since the GDR state renounced its sovereignty on 1 July in order to use a common currency, Germans on both sides have discovered hard-to-solve problems resulting from the unification process.

Over a period spanning half a century or so, the two Germanies have developed along two tendencies that could be considered antagonistic. Even their language has come to differ somewhat. The Germans have to learn how to work together, but it is mainly up to the East Germans to live and work in accordance with the many different criteria of the FRG.

The U.S. magazine TIME quoted a small remark by visitors to East Germany. The remark was that the people there are very courteous. On the other hand, East Germans going to West Germany complained that West Germans elbow their way through crowds. While there have been forecasts of marvelous economic development and even of a growth rate of 3.2 percent per year in the 1990's in a unified Germany, many West Germans fear that the reunification will make them pay a higher price than the monetary value of the reunification itself.

Many different figures have been mentioned: The estimated expense for the unification is DM 100 billion. Then it should take DM 500-1,000 billion to bring East Germany up to the level of West Germany. This year, the national debt will be DM 87 billion. Next year, it will reach DM 103.3 billion. More than half of the 1.71 million GDR workers are worried about losing their jobs.

In the pleasant dream about a common future, will Germans of both sides be able to surmount past differences that have left their imprint on the present?

The Germans are carrying aloft the slogan: We are one again. At the same time, Sterner, a history professor at Columbia University, said: The Germans want to focus on their future but neighboring countries are focused on the past. There have been guarantees that the future Germany will never want to play the role of a world power, that Germany will stimulate the process of unifying Europe, and that it will respect the set boundaries, concentrate on disarmament, and ease regional tension. Against the present background, today's Germans of course differ from the Germans of the 1930's and 1940's.

Fear on the part of several neighboring countries has also stemmed from other factors. The U.S. magazine NEWSWEEK remarked: A unified Germany with a population of 80 million situated between the Rhine and Oder rivers will render neighboring European countries tiny dwarves. World history over recent decades demonstrates that as long as there is a balance of power in the world, only regional conflicts have occurred on remote battlefields. So the positions of the superpowers will in the future be determined more clearly by the strength of their trade ties and their currency than by missiles, tanks, or aircraft carriers.

The European countries' anxiety about a giant Germany in the future is not groundless. A high-ranking adviser to Chancellor Kohl said: We want to lead. At the moment the United States has to be concerned with Central America and such regions; therefore, it is likely that we will operationally control Europe. Some Germans also express fear of an extremist national fever called jingoism.

How will a unified Germany influence the political security of Europe and the world? This cannot be accurately estimated. FRG Foreign Minister Hans-Dietrich Genscher affirmed: We are seeking a Germany of Europe and not a Europe of Germany. French Foreign Minister Dumas said: Germans should understand the anxiety of neighboring friendly countries.

The unification of Germany is a common aspiration of the entire German nation. Large segments of the world public hope that the unified Germany has drawn many stern lessons from the past, that it has chosen a path conforming to the trend of the era, and that it will contribute to consolidating peace, security, friendship, and cooperation in Europe as well as in the world as a whole.

People Call For Strong Action Against Director

BK0410110190 Hanoi Domestic Service in Vietnamese 1400 GMT 3 Oct 90

[Article by Nguyen Van and Hung Cuong: "Suspicion on An Appointment of a Director"]

[Summary] Recently, people in Haiphong Municipality wrote letters to the editorial staff of the local People's Army Radio Station voicing their suspicion about the appointment of Le Xuan Hoang—a deserter—to the position of director of the Equipment and Material Supply Service Enterprise attached to the Vietnam Cast and Metallurgy Association. They questioned why the association appointed such a person to a position of high responsibility.

Through these letters of denunciation, our correspondents studied the case and found the background of the above-said director to be as follows:

Le Xuan Hoang was born on 31 May 1957 in Haiphong Municipality. When he was in the second grade, he left school. "In 1978, at the age of 21, he was recruited for military service. After a training period at the training center in the 3d Military Region, he was assigned to the 4th infantry division of the 9th Military Region when fierce fighting was going on at the Vietnamese southwestern border area. While thousands of our cadres and combatants were making sacrifices to defend our fatherland, Le Xuan Hoang deserted the army to engage in a trade at a locality."

On 9 Febuary 1981, the Haiphong Municipal Military Command issued decision No. 862-QDDV to delete the military record of Le Xuan Hoang and confiscate his military accoutrements. Moreover, the municipal people's committee chairman decided to send him to reeducation camp for 24 months. Pursuant to this decision, he was sent to reeducation camp at the Dinh Vu island. However, he escaped from the island after serving at the camp for only six months. In February 1989 he emerged as a collaborator of the Vietnam Union of Scientific-Technological Associations. In August 1989, he was appointed head of the Equipment and Material Supply Service Post in Haiphong. In April 1990 this post was upgraded to an enterprise and thus Le Xuan Hoang was promoted to director of this enterprise.

With this position, Le Xuan Hoang misused his authority and engaged in various cases of irregularity and embezzlement, thus creating a bad image for state agencies in Haiphong Municipality. Learning about his background and misconduct, cadres and people of Ngo Quyen District have expressed their indignation and called on the Haiphong Municipal Military Command to send him back to the reeducation camp.

"We ask the Haiphong Municipal People's Committee, the Vietnam Union of Scientific-Technological Association, and the Vietnam Cast and Metallurgy Association to draw a lesson from this case and to remind the agencies that recruited Le Xuan Hoang to be more careful in their future recruitment."

We also propose that the Haiphong Municipal Military Command and the Ngo Quyen District military committee take decisive actions to force Le Xuan Hoang to report back to his former unit to face decision on reeducation, thus helping to ensure social justice and contribute to restoring the prestige of state agencies.

Do Muoi Speaks at Corruption, Smuggling Meeting

BK0410112090 Hanoi Domestic Service in Vietnamese 1100 GMT 2 Oct 90

[Text] From 27 to 29 September, the Council of Ministers met under the chairmanship of its Chairman Do Muoi to review the implementation of the council's resolution on the struggle against corruption and smuggling.

After hearing a report by the state general inspector on the implementation of the Council of Ministers' Resolution 240 on the struggle against corruption, the committee in charge of smuggling control work and the central market management committee reported on the situation of the struggle against smuggling.

Next, the comrade ministers and heads of the organs subordinate to the Council of Ministers reported specifically on the plans and measures for and results of the struggle against corruption and smuggling in every domain of work among all ministries and sectors.

The Council of Ministers noted that during the past three months since the promulgation of Resolution 240-HDBT, most of the ministries, sectors, provinces, cities, and special zones have formulated plans for the struggle against corruption. Some ministries and organs have conducted inspections to expose cases involving infractions and problems that should be resolved and procedures and policies that should be amended or revised.

To date, some 21 important cases involving fraud, corruption, smuggling, and willful acts against procedures and policies have been confirmed. Eight of these cases have been brought to trial while the remainder will be examined and brought to trial in the days ahead.

However, in general, the resolution has been implemented slowly and unevenly. A number of ministries and organs have failed to scrupulously and objectively assess the situation in their own sectors, as well as to quickly draw conclusions on and deal with many cases involving infractions. In certain sectors and localities, infractions have not yet been severely penalized, and due to the intervention in adjudication work by various organs of leadership, some cases have not been handled adequately or have been prolonged indefinitely.

Winding up the meeting, Chairman of the Council of Ministers Do Muoi said: The struggle against both corruption and smuggling is currently the most important and urgent task and primary concern of the party and state and also a pressing need of the people throughout the country. This is a difficult, complex, and decisive struggle, which has won the sympathy, support, and cooperation of the people and has had a direct and profound effect not only on our economy but also on our society, ideology, culture, political security, and social order and safety.

The direct cause of corruption and smuggling resides in the slackness of state management in terms of mechanism, policy, law, organization, and especially inspection and control. Therefore, it is necessary to expand the responsibilities of the members of the Council of Ministers, of the heads of all organs subordinate to the Council of Ministers, and of the chairmen of the people's committees at all levels.

The comrade ministers and heads of all organs subordinate to the Council of Ministers must be responsible to the chairman of the council for any serious case of corruption in various organs and units under the direct management of their ministries. Meanwhile, the comrade chairmen of all provinces, cities, and special zones must be responsible for all cases of corruption in their localities.

Between now and the end of 1990, efforts must be made to urgently carry out the tasks and measures set forth by the Council of Ministers and provide intensive guidance for the struggle against corruption and smuggling in all sectors and at all levels.

It is necessary to satisfactorily carry out the following specific tasks:

—Ensure that close coordination is achieved among the inspection, control, public security, and court forces to quickly bring to trial all cases involving corruption and smuggling that have been investigated and confirmed.

—Ensure that punishment is meted out against the right culprits and in accordance with the seriousness and nature of the crimes.

—Be lenient toward those who know to plead guilty or to repent their crimes while adopting a firm attitude toward those who seek to display stubbornness.

To restore order in economic activities, all production and business establishments must be registered and reorganized. Permission for continued operation will be given only to those organizations and individuals who have full legal entity and conditions as stipulated by the state and who can scrupulously comply with state rules and regulations in the process of doing business.

Responsible state agencies must review all the policies and procedures that have been enforced so that they can promptly make adjustments and amendments or can suggest some to the Council of Ministers. This is aimed at overcoming various loopholes that are being exploited and are hindering production and business activities.

All ministries and other organs subordinate to the Council of Ministers and the people's committees at all levels must attach importance to inspection and control work, ensuring that all production and business organizations operate in accordance with state laws. They must pay particular attention to inspecting and supervising financial activities and opposing tax evasion and the distribution of incomes not in accordance with systems and policies.

Efforts must be exerted to step up the struggle against the exportation or importation of contraband goods, intensify control activities at various border-crossing points, rigorously control cross-border exports and imports, supervise and reorganize the issuance of export and import permits, and scrupulously administer the management of foreign currencies in accordance with Directive No. 330-CP of the chairman of the Council of Ministers.

Chairman Do Muoi delegated responsibilities to the comrade ministers, the heads of various sectors, and the chairmen of all provincial and city people's committees, saying that between now and the end of 1990 they must exert efforts to provide guidance for carrying out the aforementioned tasks definitely in each period of time to remedy the situation of corruption and smuggling in society, especially among state agencies and state enterprises.

Article Previews New CPV Political Program

BK0510023590 Bangkok BANGKOK POST in English 5 Oct 90 p 4

[Article by Jacques Bekaert under the rubric "Eye on Indochina": "Back to Ho Chi Minh"]

[Text] Hanoi—The Ninth Plenum of the Communist Party of Vietnam (CPVN) met in Hanoi from August 15 to 28, and prepared a new political programme which, party sources said, "will bring the party into the year 2000." The sources described the work of the plenum as marking a turning point in the history of the CPVN, founded in 1930 by Ho Chi Minh.

While great attention was brought to economic matters, it was ideology and politics that preoccupied the participants first.

The Vietnamese leadership is by now well aware of the fate of communist parties around the world. Many East European communist parties have simply collapsed under the weight of public discontent and their own incompetence. The Communist Party of the Soviet Union is being challenged by a large faction of its own membership. China is more preoccupied with power than with ideology. But, a source in Hanoi said, "The CPVN has decided to follow its own course and demonstrate there is still a bright future for a true socialist party." A daring challenge, indeed. "Socialism," a senior party member said, "will exist in Vietnam along with a market economy."

So far no public announcement has been made in the Vietnamese media of the contents of the two-week discussions.

In order to survive, to attract once again the masses and demonstrate that Vietnam can succeed where others have failed, the party will go back to the teachings of Ho Chi Minh, by far the most popular figure of socialist Vietnam, respected by many noncommunist Vietnamese as a true patriot. "Ho Chi Minh always recommended a balanced mixture of nationalism and humane socialism," insisted several sources in the Vietnamese capital.

Like Ho Chi Minh, the new programme would advocate national independence, prosperity, respect and equality for all races and ethnic groups as well as peaceful coexistence between various political systems, they said. "We are trying to write a programme that will revive the enthusiasm of the vast majority of the Vietnamese people," said a senior party member. Another source said the new programme will be more humanistic, and that the concept of class struggle will be less important than that of national unity.

There is only a small working class in agrarian Vietnam, several party members noted. The concept of dictatorship of the proletariat does not fit very well in our country, they say. The party will thus try to build a large national consensus. It is, several observers noted, its best chance of surviving.

"Ho Chi Minh never rejected anyone on the basis of class," said a senior party member, adding that Ho Chi Minh's first Cabinet in 1945 was the most intellectual in Vietnam's contemporary history.

Ho Chi Minh once said that his countrymen are Vietnamese first, communist second. We must go back to our own roots and stop trying to imitate others, insisted a senior party activist. "When we tried to copy others we failed," he insisted. "The agrarian reform of 1956 was copied from Maoist China and was a tragic mistake, and so was our decion, under Soviet influence, to concentrate on heavy industries." The party also decided to continue its efforts towards greater internal democracy, although there are certainly at this stage no plans for political pluralism. "Multi-partyism is not a guarantee of democracy," a party source said.

One of the most liberal communist thinkers in Vietnam, Tran Bach Dang, recently wrote in the party's theoretical review TAP CHI CONG SAN (Communist Review) that "Since the August Revolution in 1945, the Communist

Party of Vietnam has had a new obligation, the obligation of holding power. The difference with other movements and other organisations is that the regime led by the Communist Party belongs to the people, that is the majority."

The draft of the new political programme, which was the object of fierce discussion among participants to the plenum, will be made public later this year and lower echelon of the party will be able to discuss it in preparation for the seventh congress of the party planned for May or June 1991.

In view of events in Eastern Europe one would be tempted to see this renovated programme as a last, desperate effort to stick to power, one effort that sooner or later will fail. But Vietnam is not Eastern Europe and historical and cultural experiences have indeed been different.

It is not that the Communist Party of Vietnam is especially popular among the masses. It has made too many mistakes since 1975. Most Vietnamese probably care little for ideology, but a lot, of course, about their own daily condition. Standards of living have improved somewhat since 1988. But serious problems are once again darkening the horizon. Inflation is back. Prices of rice, meat, fish and sugar have almost doubled in the past six weeks.

The Middle East crisis will seriously affect Vietnam. Oil-based fertiliser and synthetic fibres are going to cost a lot more. In fact fertiliser per kilogramme is already as expensive, if not more, as rice. The collapse of so many credit cooperatives (basically little more than crude chit-funds schemes operating with the complicity of numerous officials) will cost the state—which has agreed to comepensate the millions of people who lost fortunes or simply meagre savings—at least 500 billion dong. It is a price the state must pay to keep a minimum of social calm.

The return to Ho Chi Minh should be relatively welcome to most of the local intelligentsia, since the founder of the Communist Party of Vietnam (it was Moscow which forced the change of name in 1930 to Communist Party of Indochina) was a fairly open-minded man of simple but often sophisticated taste (something his official biographies usually do not mention. The official image of Ho Chi Minh is much more boring and less humane than the original model).

In the January issue of TAP CHI CONG SAN, Tran Bach Dang listed some of the "resolute steps" that Ho Chi Minh said should be taken to overcome the following shortcomings: localism, factionalism, militarism and bureaucratic centralism, narrow-minded thinking, formal appreciation (form over content), "desk-bound" work style, lack of discipline, selfishness and corruption-...Plus ca change, et plus c'est la meme chose [the more things change, the more they remain the same]. Indeed, Ho Chi Minh, if he came back today, would not need to change a single word. The problems afflicting the party are the same, maybe even worse.

For the sake of the Vietnamese people, one hopes the vast party apparatus will meditate on the following "six things that must be done," as suggested by Ho Chi Minh in 1946:

—Do not do anything that might damage the gardens, fields or houses of the people.

—Do not ask for or borrow things that a person doesn't want to sell or lend.

—Do not take live chickens into the homes of tribesmen.

—Never break a promise.

—Do not belittle religious beliefs or practices of the peole.

—Do not do or say anything that might cause a person to think that you dislike him.

Words of wisdom and tolerance, indeed. But where was the spirit of Ho Chi Minh during the years 1975-86?

The leadership of the Communist Party of Vietnam is probably more sincere and dedicated than most communist leaderships in the world have ever been. These men who sacrificed their lives for ideals they believed in are perhaps the last true Marxists in the world, or at least among the very last to believe that Socialism still has something important to say.

The challenge they are facing is immense. To succeed they will need to be imaginative, open-minded, generous, democratic. If they go back to Ho Chi Minh they will indeed find that in the past they went the wrong course, confusing the struggle for social justice with the dictatorship of a few.

The new challenge is not absurd. Because many of the ideals of true socialism (especially its ideals of social justice) are neither ridiculous nor absurd. Probably ever since Lenin has state socialism been the worst enemy of humanistic socialism. It has and will be the kiss of death for most communist regimes which have relied on police and terror to stay in power.

Vietnam, to its credit, is trying to take another route. But there is no guarantee of success, as the old way of thinking is still strong, as old police methods are still used frequently, as the temptation to prevent information rather than to accept dialogue is still the impulse of many leaders.

Ho Chi Minh wrote: "There is no reason to fear outside enemies. It is the enemies within that we should fear, because these can destroy us from the inside." It is indeed time for Vietnam to deal with its own demons, and turn towards the enemy within. Within the party, probably.

Countries Sign Contracts at Trade Fair in Hanoi

BK0310161490 Hanoi VNA in English 1452 GMT 3 Oct 90

[Text] Hanoi VNA Oct. 3—The national technological and economic trade fair-1990, the fifth to date, closed here on Oct. 1.

The one-month fair was visited by 15,000 people including 30 delegations from foreign embassies in Hanoi, many company directors from Japan, Thailand and France; businessmen from the Philippines, Malaysia, Taiwan, South Korea, Hong Kong, the United States and overseas Vietnamese.

The fair drew the participation of 580 production, business and research units of different economic sectors. Producers in Ho Chi Minh City displayed a great variety of plastic goods, garments, fabrics, chemicals, cosmetics, engineering and electrical appliances, shoes and rubber products. The Ho Chi Minh City branch of the Vietnam Institute of Sciences signed contracts with four units on the transfer of the technology of fibro-cement production worth 2,800 million Vietnamese dong. It also won orders to produce chemicals for the plating and coating of art articles and metal products, the automotive engineering factory [words indistinct] in Quang Nam-Da Nang [words indistinct] sold all the buses it had assembled worth more than 100 million dong, and signed five contracts for bus assembly worth another 536 million dong.

Participating units at the agricultural pavilion signed contracts for the export of 2,000 tonnes of coffee to Australia, rubber to France, and sold on the spot 30 electrical husking machines and threshing-machines worth 45 million dong. The aquatic product service sold a five-ton cold storage, etc.

Soviet customers signed contracts to buy tonic liquors, Indian customers bought artichoke tea while other foreigners bought the diuretic brand named hepbyton.

Contracts valued at billions of dong have also been signed or negotiated with the Phuoc Long textile mill in Ho Chi Minh City, the Nam Dinh textile combine, the Rang Dong electric lamp and thermos flask factory, the Tien Phong plastic goods factory, and the Vinh Phu paper mill.

Nguyen Hoan, director general of the Giang Vo Trade Fair Centre, said that the gold medal has been awarded to 207 products, the silver medal to 165 and the bronze medal to 78 others.

Central Committee Greets Cyprus Party Congress

BK0310152690 Hanoi VNA in English 1447 GMT 3 Oct 90

[Text] Hanoi VNA Oct. 3—The Central Committee of the Communist Party of Vietnam today extended its warm greetings to the 17th congress of the Progressive Party of the Working People (AKEL) of Cyprus. The message says: "In the recent years, AKEL has, together with other patriotic and progressive forces in Cyprus, persistently struggled for the removal of military bases of the United States and Turkey from Cyprus, for a Cyprus of independence, territorial integrity, democracy, non-alignment and a Mediterranean region of peace and cooperation, and free from nuclear weapon. We wish you many new successes in the just cause of the Cypriot people. "May the solidarity and friendship between the parties and peoples of our two countries further consolidation and development."

CSPVC Holds Press Conference on Congress

BK0410102190 Hanoi Domestic Service in Vietnamese 1100 GMT 2 Oct 90

[Text] This morning, in Hanoi, the Committee for Solidarity of Patriotic Vietnamese Catholics [CSPVC] held a press conference on the preparation of the second congress of Vietnamese Catholics.

At the conference, Reverend Vo Thanh Trinh, chairman of the CSPVC Presidium said that, as a member of the Vietnam Fatherland Front [VFF] and operating according to the SRV Constitution and the VFF's political platform, over the past years the CSPVC has motivated Catholics to contribute energy to national construction and defense, strictly implementing the motto "better society, better religion."

Since the first congress of Vietnamese Catholics in 1983, to date 17 provinces and cities have established their own CSPVCs. The second congress will be held in Hanoi from 10 to 12 October. It will be in session for three days.

Australia

Union Officials Say Strike To Close Ports

BK0410110990 Hong Kong AFP in English 0824 GMT 4 Oct 90

[Text] Sydney, Oct 4 (AFP)—A 24-hour strike by 9,000 dock workers will shut Australia's major ports from midnight Thursday, union officials said. The strike for higher wages is likely to cause increased congestion in cargo terminals, although perishable goods, livestock and passenger ships have been exempted. The ports of Sydney, Melbourne, Brisbane, Adelaide, Freemantle at Perth and smaller ports including Newcastle, Geelong, Darwin and Westerport will be affected.

The strike is in support of a national wage claim backed by the Australian Council of Trade Unions (ACTU). Waterfront Workers Federation Vice President Arthur Moynihan said in Brisbane the strike could be followed by further stoppages. He claimed employers had refused to recognise an agreement between the ACTU and federal government for pay increases including a cost of living rise for the September quarter. The Waterside Workers Federation is the main union of about six involved in the strike.

Papua New Guinea

Bougainville Blockade Causes 'Great Suffering'

BK0510075890 Hong Kong AFP in English 0237 GMT 5 Oct 90

[Text] Wellington, Oct 5 (AFP)—Papua New Guinea's [PNG's] blockade of Bougainville has led to a lack of food and medicine, increasing cases of malnutrition and disease on the island, a church group said.

A Solomon Islands Christian Association (SICA) report released Friday also said there were shortages of gasoline and diesel oil and that some communities had gone without electricity for months. Bougainville residents could not even get news of the outside world because batteries were unavailable to power radios, said the report released here by the Catholic commission for Justice, Peace and Development (JPD).

In May the Bougainville Revolutionary Army (BRA) declared the island independent, resulting in a PNG blockade of it and its neighbouring island, Buka. A peace process begun in September aboard New Zealand warships moored off Bougainville has failed to resolve the crisis. The report said the political situation was causing "great suffering."

The SICA report could not give a complete picture of the "suffering and the fears of innocent people" caught up in the conflict, but said there were serious shortages, "some of them touching on life and death."

On Bougainville there was a very serious shortage of medicines and the hospital in the main town of Arawa had been closed. Many people had been forced to live in the bush, the report said.

"As a result many of the children and some adults are now suffering from malnutrition," the report said, adding there has been an outbreak of tropical ulcers and yaws. "There is the continuing and perhaps growing incidence of malaria in Bougainville."

Quinine, a drug to treat malaria used here in the past, was no longer available.

Infantile diarrhoea was on the increase.

Petrol and diesel oil was in short supply and both Kieta and Arawa have not had electricity for several months.

Radios cannot be used because batteries were unavailable. "Most people cannot get any news by radio now, consequently any rumours of fighting, deaths or disasters of any kind are blown out of proportion," the report said. "People are very fearful about what may happen. The problem of fear is therefore a very serious one now," it said.

All except two or three schools have closed down "and the grass grows long on their silent playgrounds."

The SICA said families were being drawn together by the crisis and people were thinking of others, not just themselves. "The people of Bougainville are bearing up as well as they can as they pray for a lasting and just peace and relief from their present suffering," SICA said.

New Zealand's JPD in a statement called on the New Zealand Government to urge the PNG Government to allow the International Red Cross and other international relief organisations into Bougainville. "The search for a peaceful negotiation and an end to the problems of Bougainville will not be helped by a policy which reduces people to abject poverty and steals their dignity," JPD said. "The time to save Bougainville and peace is now."

Vanuatu

Premier Calls for Nuclear-Free Pacific at UN

BK0410084390 Melbourne Overseas Service in English 0500 GMT 4 Oct 90

[Text] Vanuatu's prime minister, Father Walter Lini, has made a plea for a nuclear-free Pacific at the United Nations. Father Lini told the General Assembly the countries in the region are small and extremely vulnerable to external economic factors as well as sudden climatic changes.

He said the Pacific people preferred to live in peace. Yet their land, waters, and atmosphere were being used by others to test weapons of mass destruction. Father Lini said the testing of nuclear weapons continue to cause the people to fear for the future for their young and of unborn generations.

Father Lini also raised the region's concern about the planned destruction of chemical weapons at Johnston Atoll. He said the region should not become a permanent toxic disposal for the world.